COURT FILE NO.	1601-06131
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED** **AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED**
DOCUMENT	**CCAA PLAN SANCTION ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Cassels Brock & Blackwell LLP** Suite 3810 Bankers Hall West 888-3rd Street SW Calgary, AB T2P 5C5 Attn: Ryan Jacobs/Joseph Bellissimo/Natalie E. Levine Tel: 403-351-2920 Fax: 403-648-1151 rjacobs@casselsbrock.com jbellissimo@casselsbrock.com nlevine@casselsbrock.com

CLERK OF THE COURT
FILED
OCT 04 2018
JUDICIAL CENTRE OF CALGARY

I hereby certify this to be a true copy of the original Order

Dated this 4 day of Oct. 2018

for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: October 4, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Macleod

UPON the application of Connacher Oil and Gas Limited (the "**Applicant**") for an Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") sanctioning the Amended and Restated Plan of Compromise and Arrangement of the Applicant that was attached as Exhibit "B" to the Creditors' Meetings Order granted August 22, 2018 and is attached as Schedule "A" to this Order, as may be further amended, varied or supplemented from time-to-time in accordance with the terms thereof (the "**Plan**"); **AND UPON** having read the Affidavit of Merle Johnson sworn August 13, 2018; the Affidavit of Jeff Beeston sworn September 24, 2018; the Seventeenth Report of Ernst & Young Inc., the Court-appointed monitor of the Applicant (the "**Monitor**") filed August 17, 2018 (the "**17th Report**"); the Supplement to the 17th Report filed September 28, 2018; the Eighteenth Report of the Monitor filed October 3, 2018; and the pleadings and proceedings herein; **AND UPON** hearing counsel for the Applicant, the Monitor, the Consenting First Lien Lenders, the First Lien Agent, the Plan Sponsor (each as defined in the Plan) and from any other affected parties that may be present and no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Taschina Ashmeade sworn September 25, 2018, filed, and the Affidavit of Service of Taschina Ashmeade sworn September 26, 2018, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan or the Creditors' Meetings Order.

SERVICE, NOTICE AND MEETING

2. Service of this Application and supporting documents is hereby deemed to be good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this Application.

3. There has been good and sufficient notice, service and delivery of the First Lien Lenders' Meeting Materials, the Beneficial Noteholder Information Packages, and the General Creditors' Meetings Materials (including, without limitation, pursuant to the Creditors' Meetings Order and the Plan) to all Persons upon which notice, service and delivery was required.

4. The Creditors' Meetings were duly convened and held, all in conformity with the CCAA and the Orders of this Court, including, without limitation, the Creditors' Meetings Order.

5. The hearing in respect of this Order was open to all of the Affected Creditors and all other Persons with an interest in the Applicant and that such Affected Creditors and other Persons were permitted to be heard at the hearing in respect of this Order; and prior to the

hearing, all of the Affected Creditors and all other Persons on the Service List were given adequate notice thereof.

SANCTION OF THE PLAN

6. The Plan has been approved by the Required Majorities in conformity with the CCAA and the Creditors' Meetings Order.

7. The Applicant has complied with the provisions of the CCAA and the orders made in the CCAA Proceeding in all respects.

8. The Applicant has acted and is acting in good faith and with due diligence, and has not done or purported to do (nor does the Plan do or purport to do) anything that is not authorized by the CCAA.

9. The Plan, and all the terms and conditions thereof and matters and transactions contemplated thereby, are fair, reasonable, not oppressive and in the best interests of the Applicant.

10. The Plan is hereby sanctioned and approved pursuant to Section 6 of the CCAA.

PLAN IMPLEMENTATION

11. The Plan and all associated steps, compromises, distributions, transactions, arrangements, assignments, releases and reorganizations effected thereby are approved and shall be deemed to be implemented, binding and effective upon and with respect to the Applicant, all Affected Creditors, the Directors, the Officers, the Released Parties and all other Persons named or referred to in, or subject to, the Plan, including without limitation their respective heirs, executors, administrators, and other legal representatives, successors, and assigns, on the date such steps, compromises, distributions, transactions, arrangements, releases and reorganizations are deemed to occur and be effected by the Plan, and in the sequential order contemplated by Schedule "A" to the Plan on the Effective Date (or in such other manner or sequence or at such other time or times on the Effective Date as the Applicant, the Monitor and the Plan Sponsor may agree, subject to the Plan and the Creditors' Meetings Order).

12. Each of the Applicant, the Directors, the Officers, the First Lien Agent, the Second Lien Trustee and the Monitor is authorized and directed to take all steps and actions and to do all things (including making any applications for authorizations), reasonably necessary or appropriate, to implement the Plan in accordance with its terms, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocations, instruments and agreements contemplated by and subject to the terms of the Plan, and such steps and actions are hereby authorized, ratified and approved. Without limiting the foregoing, the Monitor is authorized to perform its obligations under the Plan on and after the Effective Date, including instructing and obtaining assistance from its legal counsel and/or Cassels as necessary to do so and as further provided in the Plan. Furthermore, none of the Applicant, the Directors, the Officers, the First Lien Agent, the Second Lien Agent, or the Monitor shall incur any liability as a result of acting in accordance with terms of the Plan or this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of such parties.

13. To the extent not previously given, all necessary approvals of and from the Existing Shareholders, Directors, or Officers of the Applicant, as applicable (including all necessary resolutions, whether ordinary, special or otherwise, of the Existing Shareholders, Directors, or Officers of the Applicant, as applicable) to take all actions under the Plan or contemplated thereby (including but not limited to the adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan) shall be deemed to have been made, given, passed or obtained, and no agreement between or among the Existing Shareholders of the Applicant, or any of them, or between an Existing Shareholder and another Person, that limits or purports to limit in any way the right to vote Existing Shares or other interests held by such Existing Shareholder(s) with respect to any of the steps or transactions contemplated by the Plan, shall be effective, and all such agreements shall be deemed to be of no force or effect.

14. The Applicant and the Monitor are authorized to take any and all such actions as may be necessary to comply with applicable withholding and reporting requirements. All amounts withheld with respect to such payment under the ITA or under Applicable Law shall be treated for all purposes as having been paid to such Affected Creditors in respect of which

such withholding was made, provided such withheld amounts are remitted to the appropriate Taxing Authority.

15. All distributions or payments by the Monitor, on behalf of the Applicant, to Affected Creditors with Accepted Claims under the Plan are for the account of the Applicant and shall be deemed to have been distributed or paid in connection with the fulfillment of the Applicant's obligations under the Plan.

16. Upon receiving from the Applicant, the Plan Sponsor and the Consenting First Lien Lenders written notice of the fulfilment or waiver of the conditions precedent to implementation of the Plan pursuant to Section 9.3 of the Plan, the Monitor is authorized and directed to deliver to the Applicant, the Plan Sponsor and the Consenting First Lien Lenders a certificate substantially in the form attached as Schedule "B" to the Plan (the "**Monitor's Certificate**", the form of which is hereby approved) signed by the Monitor, certifying that the Effective Time has occurred and that the Plan is effective in accordance with its terms and the terms of this Order. As soon as possible following the Effective Time, the Monitor shall file the Monitor's Certificate with this Court and post it on the Website.

17. Pursuant to and in accordance with the terms of the Plan at the time or times and in the manner set out in Schedule "A" to the Plan:

   (a) The Existing Shares and all other Equity Claims shall be and are hereby fully, finally, irrevocably and forever cancelled, released and extinguished for no consideration. For greater certainty, any written or oral agreement, option or warrant, or any right or privilege capable of becoming such, for the purchase, subscription, allotment or issuance of any shares or other form of equity interest (or any securities or investments convertible, exercisable or exchangeable for any shares or other form of equity interest) in the Applicant, and any agreements or instruments entitling any holder thereof to any participation in the Applicant, are of no further force or effect as at the Effective Date and all certificates evidencing Existing Shares shall be and are hereby cancelled for no consideration, null and void.

   (b) The voting common shares of the Applicant to be issued to the Plan Sponsor pursuant to the Plan (the "**New Common Shares**") shall be and are hereby deemed to have been validly authorized, created, issued and outstanding as fully-paid and non-assessable shares in the capital of the Applicant on the Effective Date. The New Common Shares issued pursuant to the Plan shall be free and clear of any Encumbrances (as defined below).

(c) All Directors serving on the Applicant's board of directors (and any committee thereof) immediately prior to the Effective Time shall be deemed to resign and the Plan Sponsor shall appoint the New Board in its discretion.

(d) The Articles of the Applicant shall be amended upon the implementation of the Plan pursuant to Section 191 of the CBCA in accordance with paragraph (d) of Schedule "A" to the Plan.

18. The amounts of each of the Directors' Charge Claims Reserve, Retention Plan Claims Reserve, Administrative Reserve Fund, Priority Secured Claims Reserve, and Emkay Reserve shall be in the amounts set forth in, or calculated or determined pursuant to, the Plan and shall be held and distributed by the Monitor in accordance with the Plan.

19. Pursuant to and in accordance with the terms of the Plan, from and after the Effective Time, each of the CCAA Charges shall be terminated, discharged, and released provided, that the Administration Charge shall continue to exist against the Administrative Reserve Fund.

20. Notwithstanding anything to the contrary in the Plan, upon implementation of the Plan, the First Lien Credit Agreement shall remain in effect solely for the purpose of and only to the extent necessary to allow the First Lien Agent to make distributions to First Lien Lenders, and to maintain all of the rights and protections afforded to the First Lien Agent under the First Lien Credit Agreement, including without limitation (i) the First Lien Agent's contractual priority and lien rights with respect to any distributions under the Plan, and (ii) to enforce any rights of the First Lien Agent and the First Lien Lenders under the Plan and this Order. For clarity, upon implementation of the Plan, any claims of the First Lien Lenders owing by the Applicant pursuant to the First Lien Credit Agreement shall be discharged as against the Applicant and its business, assets and undertaking, and such claim by the First Lien Lenders shall attach to the First Lien Lender Pool in accordance with the Plan. The obligations of the First Lien Agent under or in respect of the Plan shall be solely as expressly set out in the Plan and this Order. At such time as the First Lien

Agent has completed performance of all of its duties, if any, set forth in the Plan, the First Lien Agent shall be relieved of all obligations under the First Lien Credit Agreement and any related agreements and other instruments that are otherwise terminated and cancelled under the Plan at the Effective Time.

21. Notwithstanding anything to the contrary in the Plan, upon implementation of the Plan, the Second Lien Indenture shall remain in effect solely for the purpose of and only to the extent necessary to allow the Second Lien Trustee to make distributions to Second Lien Noteholders, and to maintain all of the rights and protections afforded to the Second Lien Trustee under the Second Lien Indenture, including without limitation (i) the Second Lien Trustee's contractual priority and lien rights with respect to any distributions under the Plan, and (ii) to enforce any rights of the Second Lien Trustee and the Second Lien Noteholders under the Plan and this Order. For clarity, upon implementation of the Plan, any claims of the Second Lien Noteholders owing by the Applicant pursuant to the Second Lien Indenture shall be discharged as against the Applicant and its business, assets, and undertaking, and such claim by the Second Lien Noteholders shall attach to the General Creditor Pool in accordance with the Plan. The obligations of the Second Lien Trustee under or in respect of the Plan shall be solely as expressly set out in the Plan and this Order. At such time as the Second Lien Trustee has completed performance of all of its duties, if any, set forth in the Plan, the Second Lien Trustee shall be relieved of all obligations under the Second Lien Indenture and any related agreements and other instruments that are otherwise terminated and cancelled under the Plan at the Effective Time.

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

22. Pursuant to and in accordance with the terms of the Plan, from and after the Effective Time: (i) all Affected Claims of any nature shall be forever fully, finally, irrevocably and forever compromised, settled, released, discharged, extinguished, cancelled and barred, (ii) the ability of any Person to proceed against the Applicant or any of the Released Parties in respect of or relating to any Affected Claims shall be forever discharged and restrained, and (iii) all proceedings with respect to, in connection with or relating to such Affected Claims shall be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims, if any.

23. The determination of Accepted Claims and Disallowed Claims in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order (hereinafter collectively referred to as the "**Claims Bar Orders**") and the Plan shall be final and binding on the Applicant and all Persons.

24. Pursuant to and in accordance with the terms of the Plan, following delivery of the Monitor's Certificate, any and all liens, encumbrances, security interests and registrations in favour of any Affected Creditor (including without limitation with respect to any Alleged Priority Secured Claims) or which any Affected Creditor holds by way of subrogation, including all registrations made in accordance with the *Personal Property Security Act*, the *Land Titles Act*, or similar legislation against the interests of the Applicant, other than in respect of an Unaffected Claim, (the "**Encumbrances**") are terminated, discharged and extinguished as against the Applicant and all of its business, assets and undertakings, and any Registrar of any personal property security registry or any real property registry is hereby authorized and directed to discharge any such Encumbrance.

(a) For greater certainty, and without limiting the generality of the foregoing, the Plan Sponsor is expressly authorized and directed to effect the discharge of the registrations as identified in Schedule "B" hereto pursuant to the *Personal Property Security Act,* RSA 2000, c P-7; (ii) the *Personal Property Security Act,* RSBC 1996, c 359; (iii) the *Personal Property Security Act,* 1993, SS 1993, c P-6.2; (iv) the *Mines and Minerals Act,* RSA 2000, c M-17; the Land Titles Act, RSA 2000, c L-7; (vi) the Land Title Act, RSBC 1996, c 250; (vii) the Municipal Government Act, RSA 2000, c M-26; and (viii) any other personal or real property registration system.

(b) For the purposes of determining the nature and priority of Alleged Priority Secured Claims, the Priority Secured Claims Reserve shall stand in the place and stead of the security described in this paragraph 24, and from and after delivery of the Monitor's Certificate, such Alleged Priority Secured Claims and Encumbrances shall attach to the Priority Secured Claims Reserve with the same priority as they had with respect to the Applicant and its business, assets and undertakings just prior to the Effective Date as if the Plan had not been implemented. Upon delivery of the Monitor's Certificate, the holders of such Alleged Priority Secured Claims shall have no further claims or remedies against the Applicant or its business, assets or undertakings in respect of such Alleged Priority Secured Claims.

25. Upon receipt of a copy of this Order together with the Monitor's Certificate contemplated in paragraph 16 of this Order, all registrars or similar government departments and land titles offices are hereby directed and required to give effect to the discharges contemplated by this Order. The directions contemplated by this Order are to be given full effect by all such registries and offices notwithstanding section 191(1) of the *Land Titles Act* (Alberta) or any similar provision contained in any other legislation of any jurisdiction.

26. Without limiting the Claims Bar Orders:

(a) Any Person who was required to file a Proof of Claim (as defined in the Claims Bar Orders) but did not file a Proof of Claim by the Claims Bar Date, the Restructuring Period Claims Bar Date, the Supplemental Claims Bar Date or the Post-Filing Claims Bar Date (each as defined in the Claims Bar Orders) or such other date provided for in the Claims Bar Orders, as applicable, whether or not such Person received direct notice of the claims process established by the Claims Bar Orders, shall be and is hereby forever barred from making any Claim against the Applicant or any of the Directors or Officers and shall not be entitled to any distribution under the Plan, and such Person's Claim shall be and is hereby forever barred and extinguished. Nothing in the Plan or this Order extends or shall be interpreted as extending or amending the Claims Bar Date, the Restructuring Period Claims Bar Date, the Supplemental Claims Bar Date, the Post-Filing Claims Bar Date or any other bar date or other deadline provided for in the Claims Bar Orders, or shall be interpreted as giving any rights to any Person in respect of Claims against the Applicant or the Directors or Officers that have been barred or extinguished pursuant to the Claims Bar Orders, the Plan, or this Order.

(b) Any Person who was required to deliver a Notice of Dispute (as defined in the Claims Bar Orders) but did not timely deliver a Notice of Dispute pursuant to the Claims Bar Orders, as applicable, shall be forever barred from disputing the classification, amount or nature of the Claim set forth in the Notice of Non-Continuing Employee Claim, Notice of Post-Filing Claim or Notice of Revision or Disallowance (each as defined in the Claims Bar Orders), as applicable, and any Claim against the Applicant or any of the Directors or Officers of a different classification or nature or in excess of the amount specified in the Notice of Non-Continuing Employee Claim, Notice of Post-Filing Claim or Notice of Revision or Disallowance, as applicable, shall be and is hereby forever barred and extinguished.

27. The compromises, arrangements, releases, discharges and injunctions contemplated in the Plan, including those granted by and for the benefit of the Released Parties are integral components thereof and, effective as of the Effective Date, all such compromises, arrangements, releases, discharges and injunctions contemplated in the Plan are binding, effective, sanctioned, approved and given full force and effect upon all Creditors, the Applicant, the Monitor, and all other Persons affected by the Plan and shall enure to the benefit of such Persons.

28. To the extent not barred, released or otherwise affected by paragraph 27 above, and notwithstanding paragraph 26 above, any Person having, or claiming any entitlement or compensation relating to a D&O Claim, a D&O Restructuring Period Claim, or a Post-Filing D&O Claim (hereinafter collectively referred to as the "**Director/Officer Claims**") (with the exception of any Director/Officer Claims judged by the express terms of a judgment rendered on a final determination on the merits to have resulted from criminal, fraudulent or other wilful misconduct on the part of the Director or Officer (an "**Excluded Director/Officer Claim**")) will be irrevocably limited to recovery in respect of such Director/Officer Claim solely from the proceeds of the applicable insurance policies held by the Applicant (the "**Insurance Policies**"), and Persons with any Director/Officer Claims will have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from the Applicant or any Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing in this Order prejudices, compromises, releases or otherwise affects any right or defence of any insurer in respect of an Insurance Policy or any insured in respect of a Director/Officer Claim. Notwithstanding anything to the contrary herein, from and after the Effective Time, a Person may only commence or continue an action for an Excluded Director/Officer Claim against a Director or Officer if such Person has first obtained leave of the Court on notice to the applicable Directors and Officers, the Monitor and the Applicant.

29. From and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including any demands, claims, actions,

counterclaims, suits, judgments or other remedies or recoveries, whether directly, indirectly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and matters which are released pursuant to Article 10 of the Plan or discharged, compromised or terminated pursuant to the Plan, except as against the applicable insurer(s) to the extent that Persons with Director/Officer Claims seek to enforce rights to be paid from the proceeds of the Insurance Policies, and provided that any claimant in respect of a Director/Officer Claim that was duly filed with the Monitor by the Claims Bar Date shall be permitted to file a statement of claim in respect thereof to the extent necessary solely for the purpose of preserving such claimant's ability to pursue such Director/Officer Claim against an insurer in respect of an Insurance Policy. Notwithstanding anything to the contrary contained herein, from and after the Effective Time, a Person may only commence or continue an action against a Director or Officer in respect of a matter that is not released pursuant to Article 10 of the Plan if such Person has first obtained leave of the Court on notice to the applicable Released Party, the Applicant, the Monitor and the insurer(s) under any applicable Insurance Policy.

30. From and after the Effective Time, each Affected Creditor, each holder of a Director/Officer Claim or an Excluded Director/Officer Claim, and any Person having a Released Claim shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety, and, in particular, each Affected Creditor, each holder of a Director/Officer Claim and any Person having a Released Claim shall be deemed:

(a) to have executed and delivered to the Monitor, the Applicant and the other Released Parties all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and

(b) to have agreed that if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor, holder of a Director/Officer Claim or an Excluded Director/Officer Claim, and the Applicant as of the Effective Time and the provisions of the Plan, the provisions of the Plan shall take precedence and priority, and the provisions of such agreement or other arrangements shall be deemed to be amended accordingly.

THE MONITOR

31. In carrying out the terms of this Order and the Plan, (i) the Monitor shall have all the protections given to it by the CCAA, the Initial Order, and as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor shall be entitled to rely on the books and records of the Applicant and any information provided by the Applicant without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information. In no circumstance will the Monitor have any liability for any of the Applicant's tax liabilities regardless of how or when such liabilities may have arisen.

32. Following the Effective Date, the Applicant shall be and is hereby directed to maintain the books and records of the Applicant for purposes of assisting the Monitor in the completion of the resolution of the Disputed Claims.

33. Effective upon the delivery of the Monitor's Certificate to the Applicant in accordance with this Order:

    (a) the Initial Order shall be amended to delete, in their entirety, subparagraphs 26(a), 26(c), 26(d), 26(e) and 26(f) and the Monitor shall thereafter have no obligation to perform any duty or exercise any power set out in such subparagraphs; and

    (b) the Applicant shall not be subject to the restrictions, obligations, requirements or provisions of paragraphs 7-13 or 22 of the Initial Order.

STAY OF PROCEEDINGS

34. The Stay Period, as ordered and defined in paragraph 14 of the Initial Order is hereby extended until and including the earlier of (i) filing of the Monitor's Certificate, and (ii) January 31, 2019.

35. From and after of the delivery of the Monitor's Certificate, subject to the performance by the Applicant of its obligations under the Plan, and except to the extent expressly contemplated by the Plan or this Order, all Continuing Contracts that have not expired or been terminated prior to the Effective Date pursuant to their terms or by agreement will be and shall remain in full force and effect as at the Effective Date, unamended except as

they may have been amended by agreement of the parties thereto subsequent to the Filing Date, and no Person who is a party to any such agreement shall, following the Effective Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of any such agreement, by reason of:

(a) any defaults or events of default arising as a result of the insolvency of the Applicant prior to the Effective Date;

(b) any change of control of the Applicant arising from implementation of the Plan;

(c) the fact that the Applicant has sought or obtained relief under the CCAA or that the Plan has been implemented by the Applicant;

(d) the effect on the Applicant of the completion of any of the transactions contemplated by the Plan;

(e) any compromises or arrangements effected pursuant to the Plan; or

(f) any other event(s) which occurred on or prior to the Effective Date which would have entitled any Person thereto to enforce those rights and remedies, subject to any express provisions to the contrary in any agreements entered into with the Applicant after the Filing Date.

36. From and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Applicant then existing or previously committed by the Applicant, or caused by the Applicant, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale, deed, licence, permit or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Applicant arising directly or indirectly from the filing by the Applicant under the CCAA and the implementation of the Plan, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Applicant from

performing its obligations under the Plan or be a waiver of defaults by the Applicant under the Plan and the related documents.

EFFECT, RECOGNITION AND ASSISTANCE

37. The Applicant or the Monitor may apply to the Court from time to time for advice and direction in respect of any matters arising from or under the Plan and to the extent that any Person (including either of the Applicant or the Monitor) seeks any advice or direction with respect to any matter arising from or under the Plan or this Order, such application shall be brought in the CCAA Court.

38. This Order shall have full force and effect in all provinces and territories of Canada, outside Canada and against all Persons against whom it may be enforceable.

39. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

MISCELLANEOUS

40. This Order shall be posted on the Website at www.ey.com/ca/connacheroilandgas and only be required to be served upon the parties on the Service List and those parties who appeared at the hearing of the motion for this Order.

Justice of the Court of Queen's Bench of Alberta

Schedule A

Amended and Restated Plan of Compromise and Arrangement

COURT FILE NUMBER	1601-06131
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
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APPLICANT	**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED** **AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED**
DOCUMENT	**AMENDED AND RESTATED PLAN OF COMPROMISE AND ARRANGEMENT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**CASSELS BROCK & BLACKWELL LLP** Bankers Hall West 888-3rd Street SW Suite 3810 Calgary, Alberta T2P 5C5 Attn: Ryan Jacobs/Joseph Bellissimo/Natalie Levine Tel: 403-351-2920 Fax: 403-648-1151 rjacobs@casselsbrock.com jbellissimo@casselsbrock.com nlevine@casselsbrock.com

Clerk's Stamp

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AMENDED AND RESTATED PLAN OF COMPROMISE AND ARRANGEMENT OF CONNACHER OIL AND GAS LIMITED

Pursuant to the *Companies' Creditors Arrangement Act* (Canada)

Dated August 13, 2018

RECITALS

A. The Company is a corporation incorporated under the CBCA and is insolvent.

B. The Company commenced a proceeding under the CCAA and obtained the Initial Order from the CCAA Court on May 17, 2016 which, among other things, appointed the Monitor of the Company, stayed proceedings against the Company and permitted the filing, upon further Order of the CCAA Court, of a plan of compromise or arrangement under the CCAA.

C. Pursuant to the Plan Sponsorship Agreement between the Company and the Plan Sponsor, the Company agreed to issue all of a newly created class of voting common shares to the Plan Sponsor conditional upon, among other things, the approval of this Plan by the Affected Creditors, its sanctioning by the CCAA Court and its implementation.

D. This Plan will facilitate the continuation of the business of the Company as a going concern and makes provision for recoveries to certain stakeholders.

NOW THEREFORE the Company hereby proposes and presents this Plan under and pursuant to the CCAA:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan (including the Schedules hereto), unless otherwise stated, the capitalized terms and phrases set out below shall have the following meanings:

"**Accepted Claim**" means the Affected Claim of a Creditor, as finally determined in accordance with the Claims Procedure Order, the Supplemental Claims Procedure Order, any other Order and/or this Plan and, for greater certainty (a) the Accepted Claim of each First Lien Lender shall be its Pro Rata Share of the First Lien Claim and (b) the Accepted Claim of each Second Lien Noteholder shall be its Pro Rata Share of the Second Lien Claim;

"**Administration Charge**" means the Administration Charge granted under the Initial Order;

"**Administration Expenses**" has the meaning given to it in Section 3.4 of this Plan;

"**Administrative Reserve Fund**" has the meaning given to it in Section 3.4 of this Plan;

"**Affected Claim**" means a Claim, other than an Unaffected Claim;

"**Affected Creditor**" means a holder of an Affected Claim;

"**Akin Gump**" means Akin Gump Strauss Hauer & Feld LLP;

"**Alleged Directors' Charge Claim**" has the meaning given to it in Section 3.8(b) of this Plan;

"**Alleged Emkay Claim**" mean the asserted claims of Emkay arising from the Emkay Decision, inclusive of interest and costs, which remain to be settled, determined and/or quantified by the CCAA Court;

"**Alleged Priority Secured Claim**" has the meaning given to it in Section 3.5(b) of this Plan;

"**Alleged Retention Plan Claim**" has the meaning given to it in Section 3.8(c) of this Plan;

"**Applicable Law**" means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official requests, directives, rules, guidelines, orders, policies, practices and other requirements of any Authorized Authority;

"**ATB**" means ATB Financial;

"**ATB Charge**" means the charge granted in favour of ATB in the ATB Credit Facilities Order;

"**ATB Credit Facilities**" means those certain credit facilities provided to the Company by ATB as approved in the ATB Credit Facilities Order;

"**ATB Credit Facilities Order**" means the Order (Approval of ATB Credit Facilities) granted by the CCAA Court in the CCAA Proceeding dated November 10, 2017;

"**Authorized Authority**" means, in relation to any Person, property, transaction, event or other matter, as applicable, any:

(a) federal, provincial, territorial, state, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign;

(b) agency, authority, commission, instrumentality, regulatory body, court, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any Taxing Authority;

(c) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; or

(d) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange,

in each case having jurisdiction over such Person, property, transaction, event or other matter;

"**BEH**" means Burgess Energy Holdings L.L.C.;

"**BEH Royalty Agreement**" means that certain royalty agreement between the Company and BEH dated January 29, 2018, approved pursuant to the BEH Royalty Approval Order;

"**BEH Royalty Approval Order**" means the Order granted in the CCAA Proceeding dated January 29, 2018 approving the BEH Royalty Agreement;

"**Beneficial First Lien Lender**" means a beneficial holder of a portion of the First Lien Claim;

"**Beneficial Noteholder**" means (i) a registered holder of Second Lien Notes, if such registered holder holds Second Lien Notes as principal and for its own account; or (ii) a holder who is not a registered holder but is a beneficial or entitlement holder of Second Lien Notes who holds such Second Lien Notes in one or more securities account(s) with a depository participant or other securities intermediary, including for greater certainty, such depository participant or other securities intermediary only if and to the extent such depository participant or other securities intermediary holds Second Lien Notes as principal and for its own account;

"**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

"**Business Day**" means, with respect to any action to be taken, any day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Calgary, Alberta, Canada;

"**Cash Adjustment Amount**" means the amount, if any, by which the dollar value of Existing Cash exceeds the dollar value of the Company's Cash on Hand as of the Effective Date;

"**Cash on Hand**" means all cash and cash equivalents (including marketable securities and short-term investments), including any funds being held by the Company as Shut Down Restricted Cash pursuant to the Initial Order and any funds being held by ATB as security for the obligations owing under the ATB Credit Facilities, but, for greater certainty, shall exclude any funds held on deposit or in escrow in respect of insurance policies in favour of the Directors or Officers which shall be applied on the Effective Date as set out in Schedule "A" to this Plan;

"**Cassels**" means Cassels Brock & Blackwell LLP;

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

"**CCAA Charges**" means the Administration Charge, the Directors' Charge, the KERP/LTIP Charge, the ATB Charge, the Financial Advisor Charge, and the KEIP Charge, each as may be amended by Order of the CCAA Court;

"**CCAA Court**" means the Court of Queen's Bench of Alberta;

"**CCAA Proceeding**" means the proceedings commenced by the Company under the CCAA on May 17, 2016 in the CCAA Court bearing Court File No. 1601-06131;

"**Claim**" means any of the following:

(a) a First Lien Claim, including a First Lien Deficiency Claim;

(b) a Second Lien Claim, including a Second Lien Deficiency Claim;

(c) a Pre-Filing Claim;

(d) a Restructuring Period Claim;

(e) a D&O Claim;

(f) a D&O Restructuring Period Claim;

(g) a D&O Indemnity Claim;

(h) a Post-Filing D&O Claim;

(i) a Secured Claim;

(j) a Priority Secured Claim;

(k) a Non-Continuing Employee Claim;

(l) an Equity Claim;

(m) a Post-Filing Claim;

(n) a Convenience Class Claim;

(o) a Crown Priority Claim;

(p) an Employee Priority Claim;

(q) a Municipal Tax Claim; and

(r) an Unaffected Municipal Tax Claim.

"**Claims Procedure Order**" means the Claims Procedure Order granted by the CCAA Court in the CCAA Proceeding dated August 24, 2016, as such Order may be amended, restated or varied from time to time by subsequent Order(s);

"**Class**" means any one of the classes of Creditors set out in Section 3.2 hereof for the purpose of considering and voting upon this Plan and receiving distributions hereunder;

"**Collateral Trust Agreement**" means the collateral trust and intercreditor agreement dated December 3, 2007 initially among, *inter alios*, the Company, the guarantors party thereto, The Bank of New York Mellon (formerly known as The Bank of New York), the Collateral Trustee and Royal Bank of Canada, as amended, restated, supplemented or replaced from time to time;

"**Collateral Trustee**" means Computershare Trust Company of Canada, as collateral trustee for (i) the First Lien Agent and the First Lien Lenders under the First Lien Credit Agreement and (ii) the Second Lien Trustee and the purchasers under the Second Lien Indenture pursuant to the Collateral Trust Agreement;

"**Company**" means Connacher Oil and Gas Limited;

"**Consenting First Lien Advisors**" means Bennett Jones LLP, PricewaterhouseCoopers LLP and such other advisors as may be retained by the Consenting First Lien Lenders;

"**Consenting First Lien Lenders**" means those certain First Lien Lenders that are party to the Support Agreement;

"**Continuing Contract**" means a contract, arrangement or other agreement (oral or written) for which a notice of disclaimer pursuant to Section 32 of the CCAA has not been sent by the Company on or prior to the Disclaimer Deadline;

"**Convenience Class Claim**" means (a) any Accepted Claim of a General Creditor in an amount that is less than or equal to $2,000, and (b) any Accepted Claim of a General Creditor in an amount greater than $2,000 if the relevant Creditor has made a valid Distribution Election for purposes of this Plan in accordance with the Creditors' Meetings Order and this Plan;

"**Convenience Class Creditor**" means a General Creditor with a Convenience Class Claim;

"**Creditor**" means any holder of a Claim and includes a transferee of a Claim that is recognized as a Creditor by the Monitor in accordance with this Plan, the Claims

Procedure Order, the Supplemental Claims Procedure Order or any other Order, as applicable, or a trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such holder;

"**Creditors' Meetings**" means the meetings of each Class of Creditors called for the purposes of considering and voting in respect of this Plan, as set out in and held pursuant to the Creditors' Meetings Order, and includes any postponements or adjournments thereof;

"**Creditors' Meetings Order**" means an Order to be sought by the Company from the CCAA Court on or about August 22, 2018 that, among other things, accepts the filing of the Plan, and orders and declares the procedures to be followed in connection with the Creditors' Meetings, as such Order may be amended, restated or varied from time to time by subsequent Order;

"**Creditors' Meetings Record Date**" means, subject to the Creditors' Meetings Order, 1:00 p.m. (Calgary time) on the date that is two (2) Business Days prior to the Creditors' Meetings;

"**Crown**" means Her Majesty in right of Canada or any province or territory of Canada;

"**Crown Priority Claims**" means all unpaid amounts, if any, provided for in Section 6(3) of the CCAA;

"**D&O Claim**" has the meaning given to it in the Claims Procedure Order;

"**D&O Indemnity Claim**" means any existing or future right of any Director or Officer against the Company which arose or arises as a result of any Person filing a Proof of Claim in respect of such Director or Officer for which such Director or Officer is entitled to be indemnified by the Company;

"**D&O Restructuring Period Claim**" has the meaning given to it in the Claims Procedure Order;

"**Director**" means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Company;

"**Directors' Charge**" means the Directors' Charge granted under the Initial Order in favour of the Directors and Officers;

"**Directors' Charge Claims Reserve**" has the meaning given to it in Section 3.8(b) of this Plan;

"**Disallowed Claim**" means a Claim (or any portion thereof) which has been finally disallowed in accordance with the Claims Procedure Order, the Supplemental Claims Procedure Order or any other Order;

"**Disclaimer Deadline**" means 5:00 p.m. (Calgary time) on the day which is 35 days prior to the Creditors' Meeting for the General Creditor Class or if such day is not a Business Day then the immediately preceding Business Day;

"**Disputed Claim**" means that portion of a Claim in respect of which a Creditor has delivered a Notice of Dispute pursuant to the Claims Procedure Order or the Supplemental Claims Procedure Order which has not been allowed or accepted for voting and/or distribution purposes or which has not been barred or finally disallowed pursuant to the Claims Procedure Order or the Supplemental Claims Procedure Order. For greater certainty, once a Disputed Claim is finally determined, it shall become an Accepted Claim or Disallowed Claim;

"**Distribution Date**" means the date or dates from time to time on or after the Effective Date, set by the Monitor in its discretion, to effect interim and final distributions in respect of Accepted Claims;

"**Distribution Election**" means an election:

(a) made by a General Creditor with an Accepted Claim greater than $2,000 by delivery of a duly completed and executed Distribution Election Notice to the Monitor by no later than the Distribution Election Deadline electing to receive the Distribution Election Amount in full satisfaction of its Accepted Claim; and

(b) deemed to have been made by each General Creditor with an Accepted Claim equal to or less than $2,000;

"**Distribution Election Amount**" means, in respect of any Accepted Claim of a General Creditor for which a valid Distribution Election has been made or has been deemed to have been made in accordance with this Plan, the lesser of (a) a cash amount equal to $2,000 and (b) the amount of such Accepted Claim;

"**Distribution Election Deadline**" has the meaning given to such term in the Creditors' Meetings Order;

"**Distribution Election Notice**" means a notice substantially in the form attached to the Creditors' Meetings Order, which will be final and irrevocable once delivered to the Monitor;

"**Effective Date**" means the day on which the Monitor delivers the Monitor's Certificate to the Company, the Plan Sponsor and counsel to the Consenting First Lien Lenders pursuant to Section 8.3 of this Plan;

"**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date or such other time as may be agreed to in writing by the Company and the Plan Sponsor;

"**Emkay**" means Emkay Canada Leasing Corp. and its affiliates and assigns;

"**Emkay Decision**" means the Reasons for Decision of the Honourable Mr. Justice K.D. Yamauchi of the CCAA Court granted in the CCAA Proceedings dated December 11, 2017;

"**Emkay Reserve**" has the meaning given to it in Section 3.9 of this Plan;

"**Employee Priority Claim**" means all unpaid amounts, if any, provided for in Section 6(5)(a) of the CCAA;

"**Equity Claim**" has the meaning given to it in Section 2(1) of the CCAA;

"**Existing Cash**" means:

1. the Cash on Hand of the Company as of 12:01 a.m. on September 1, 2018; <u>plus</u>

2. the accounts receivable of the Company existing as of 12:01 a.m. on September 1, 2018 or related to the period prior to 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have been paid or collected during the period between 12:01 a.m. on September 1, 2018 and the Business Day prior to the Effective Date; <u>plus</u>

3. the prepaid expenses of the Company which were paid prior to and remain unused as of 12:01 a.m. on September 1, 2018; <u>minus</u>

4. the accounts payable of the Company which have accrued during the period between the Filing Date and 12:01 a.m. on September 1, 2018 (whether or not invoiced by such time) which have not been paid by the Company by the Business Day prior to the Effective Date or which will not be paid, compromised, discharged or released under this Plan and will remain an obligation or liability of the Company after the Effective Time, but for greater certainty, shall not include any Municipal Tax Claims; <u>minus</u>

5. the amounts paid by the Company from the Company's cash accounts during the period between 12:01 a.m. on September 1, 2018 and the Effective Date on account of fees and disbursements (plus any applicable Taxes thereon) for services rendered by Cassels, or other legal counsel and advisors to the Company, the Monitor, legal counsel to the Monitor, the Consenting First Lien Advisors, or other Persons from time to time retained by the Company, in each case in connection with the CCAA Proceeding, the Plan Sponsorship Agreement, or the implementation of this Plan (and the Restructuring Transactions) or the Alternative Transaction (as defined in the Plan Sponsorship Agreement),

calculated as applicable in accordance with International Financial Reporting Standards;

"**Existing Shareholders**" means the holders of the Existing Shares immediately prior to the Effective Time;

"**Existing Shares**" means the common shares, preferred shares, warrants and stock options in the capital of the Company;

"**Filing Date**" means May 17, 2016;

"**Final Emkay Claim**" has the meaning given to it in Section 3.9 of this Plan;

"**Financial Advisor**" means Houlihan Lokey Capital, Inc., financial advisor to the Company;

"**Financial Advisor Approval Order**" means the Order (Engagement of Financial Advisor) granted by the CCAA Court in the CCAA Proceeding dated February 28, 2018;

"**Financial Advisor Charge**" means the charge granted under the Financial Advisor Approval Order in favour of the Financial Advisor;

"**First Lien Agent**" means Wilmington Trust, National Association, in its capacity as administrative agent for the lenders under the First Lien Credit Agreement;

"**First Lien Claim**" means the amount of $292,217,713.47 owing by the Company under the First Lien Credit Agreement, inclusive of accrued interest thereon up to October 31, 2018;

"**First Lien Credit Agreement**" means that certain Credit Agreement dated as of May 23, 2014 among the Company, Wilmington Trust, National Association, in its capacity as successor administrative agent, and the lenders party thereto (as such agreement has been and may be amended, modified and supplemented from time to time, including by the Amendment No. 1 dated May 8, 2015);

"**First Lien Deficiency Claim**" means the amount of the First Lien Claim minus the amount of the First Lien Lender Pool, which shall be deemed to be an unsecured deficiency Claim and constitute a General Creditor Claim for purposes of this Plan;

"**First Lien Lender Class**" means the Class comprised of the First Lien Lenders;

"**First Lien Lender Pool**" means the amount equal to the Plan Implementation Fund less:

(a) the amount required to satisfy the CCAA Charges as of the Effective Date in accordance with Section 3.8 of this Plan;

(b) the amount, if any, required to be held in the Directors' Charge Claims Reserve in accordance with Section 3.8(b) of this Plan in respect of Alleged Directors' Charge Claims;

(c) the amount, if any, required to be held in the Retention Plan Claims Reserve in accordance with Section 3.8(c) of this Plan in respect of Alleged Priority Secured Claims;

(d) the amount required to be held in the Administrative Reserve Fund in accordance with Section 3.4 of this Plan on the Effective Date;

(e) the amount required to satisfy the payment in full of the Priority Secured Claims as of the Effective Date in accordance with Section 3.5 of this Plan;

(f) the amount, if any, required to be held in the Priority Secured Claims Reserve in accordance with Section 3.5 of this Plan in respect of Alleged Priority Secured Claims;

(g) the amount required to satisfy the payment in full of the Crown Priority Claims in accordance with Section 3.6 of this Plan;

(h) the amount required to satisfy the payment in full of the Employee Priority Claims in accordance with Section 3.7 of this Plan;

(i) the amount, if any, required to be held in the Emkay Reserve in accordance with Section 3.9 of this Plan in respect of the Alleged Emkay Claim; and

(j) the amount required to establish the General Creditor Pool,

plus any amounts added from time to time by the Monitor to the First Lien Lender Pool pursuant to Section 3.4, Section 3.5(b), Section 3.8(b), Section 3.8(c), Section 3.9, or Section 7.6(c) of this Plan.

"**First Lien Lenders**" means any lender from time to time party to the First Lien Credit Agreement;

"**General Creditor**" means the holder of a General Creditor Claim;

"**General Creditor Claim**" means all Affected Claims, other than First Lien Claims (except to the extent of a First Lien Deficiency Claim, which is a General Creditor Claim), Priority Secured Claims, Employee Priority Claims, Crown Priority Claims and Equity Claims;

"**General Creditor Class**" means the Class comprised of General Creditors;

"**General Creditor Pool**" means the amount of $500,000 plus the amount necessary to satisfy all Convenience Class Claims in accordance with Section 5.6 of this Plan;

"**Initial Distribution Date**" means a date not more than two (2) Business Days after the Effective Date or such other date specified in the Sanction Order;

"**Initial Distribution Record Date**" means the date that is five (5) Business Days prior to the Initial Distribution Date;

"**Initial Order**" means the Order granted by the CCAA Court in the CCAA Proceeding on May 17, 2016, as such Order may be amended, restated, varied or extended from time to time by subsequent Orders;

"**Insured Claim**" means that portion of a Claim arising from a cause of action for which the Company is insured under a policy or policies of insurance existing as of the Filing Date to the extent that such Claim, or portion thereof, is insured under such policies, limited to the amount of any insurance proceeds actually received in respect of such Claim;

"**Insured Claim Option Notice**" means a notice substantially in the form attached to the Creditors' Meetings Order, which will be final and irrevocable once delivered to the Monitor;

"**ITA**" means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), as amended;

"**KEIP**" means the key employee incentive plan approved pursuant to the Support Agreement & SISP Approval Order;

"**KEIP Charge**" means the charge granted under the Support Agreement & SISP Approval Order in favour of the beneficiaries of the KEIP;

"**KERP**" means the key employee retention plan(s) approved pursuant to the Initial Order, the Supplemental KERP Order and the Second Supplemental KERP & LTIP 2017 Order;

"**KERP/LTIP Charge**" has the meaning given to it in the Initial Order, as amended by the Supplemental KERP Order and the Second Supplemental KERP & LTIP 2017 Order;

"**Lien**" means any mortgage, charge, pledge, assignment by way of security, lien, hypothec, security interest, deemed trust or other encumbrance granted or arising pursuant to a written agreement or statute or otherwise created by law;

"**LTIP**" means the Company's existing long term cash incentive plan, as amended and as approved in the Initial Order;

"**LTIP 2017**" means the Company's long term incentive plan payment as approved in the Second Supplemental KERP & LTIP 2017 Order;

"**Majority Consenting First Lien Lenders**" has the meaning given to it in the Support Agreement;

"**Monitor**" means Ernst & Young Inc., solely in its capacity as Court-appointed monitor of the Company in the CCAA Proceeding, and not in its corporate or personal capacity;

"**Monitor's Certificate**" has the meaning given to it in Section 8.3 of this Plan;

"**Municipal Tax Claims**" means all amounts owing by the Company to the Municipality with respect to or on account of taxes of any kind whatsoever, including but not limited to property tax, equipment and machinery tax, linear property tax, education tax, and any interest, fees or penalties;

"**Municipality**" means the Regional Municipality of Wood Buffalo;

"**New Board**" means the Company's board of directors appointed on the Effective Date which shall be comprised of individuals acceptable to the Plan Sponsor;

"**Non-Continuing Employee Claim**" means, with respect to an employee of the Company who does not receive an Offer of Employment or who does not accept an Offer of Employment by 5:00 p.m. (Calgary time) on August 21, 2018 (or such later date as may agreed to by the Company and the Plan Sponsor), a Claim for termination or severance pay or for payments arising from the termination of the employment of such employee pursuant to this Plan which Non-Continuing Employee Claim shall be filed and determined in accordance with the Supplemental Claims Procedure Order, provided that such employee's Non-Continuing Employee Claim shall exclude any Employee Priority Claim of the employee or any claim or entitlement of the employee secured by any of the CCAA Charges;

"**Notice of Dispute**" has the meaning given to it in the Claims Procedure Order or the Supplemental Claims Procedure Order;

"**Offer of Employment**" has the meaning given to it in the Plan Sponsorship Agreement;

"**Officer**" means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Company;

"**Order**" means any final order of the CCAA Court in the CCAA Proceeding;

"**Outside Date**" has the meaning given to it in the Plan Sponsorship Agreement;

"**Person**" shall be broadly interpreted and includes an individual, partnership, firm, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, entity, corporation, unincorporated association or organization, syndicate, committee, court appointed representative, the government of a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality or department of such government or political subdivision, or any other entity, howsoever designated or constituted, including any Taxing Authority, and the trustees, executors, administrators, or other legal representatives of an individual, and for greater certainty includes any Authorized Authority;

"**Plan**" means the Plan of Compromise and Arrangement (including the Restructuring Transactions) dated August 2, 2018 as amended and restated as of the date hereof, as it may be further amended, restated, supplemented or replaced in accordance with the terms hereof and the Plan Sponsorship Agreement;

"**Plan Implementation Fund**" means the amount equal to the sum of the Plan Sponsored Funds, the Cash on Hand up to the amount of the Existing Cash and the Cash Adjustment Amount, if any, to be delivered to the Monitor pursuant to Section 4.1 of this Plan, to be held and distributed by the Monitor in accordance with this Plan;

"**Plan Sponsor**" means East River Oil and Gas Ltd.;

"**Plan Sponsor Counsel**" means Borden Ladner Gervais LLP;

"**Plan Sponsored Funds**" means the amount of $113,500,000, which the Plan Sponsor will pay to the Monitor (in trust for the Company) prior to the Effective Time pursuant to the Plan Sponsorship Agreement;

"**Plan Sponsorship Agreement**" means the CCAA Acquisition and Plan Sponsorship Agreement between the Plan Sponsor and the Company dated August 2, 2018, as may be amended from time to time;

"**Post-Filing Claims**" means any indebtedness, liability or obligation of the Company of any kind that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Effective Date in respect of services rendered or supplies provided to the Company during such period or under or in accordance with any Continuing Contract, provided that such amounts are not a Pre-Filing Claim, a Restructuring Period Claim, a D&O Restructuring Period Claim, a D&O Claim, a Post-Filing D&O Claim, an Alleged Directors' Charge Claim, a Secured Claim, a Priority Secured Claim, an Alleged Retention Plan Claim, an Alleged Priority Secured Claim, an Alleged Emkay Claim, a Final Emkay Claim, a Crown Priority Claim, a Municipal Tax Claim, an Unaffected Municipal Tax Claim, or an Employee Priority Claim;

"**Post-Filing D&O Claim**" has the meaning given to it in the Supplemental Claims Procedure Order;

"**Pre-Filing Claims**" means any right or claim of any Person that may be asserted or made in whole or in part against the Company, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract, arrangement or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, regulatory, equitable or fiduciary duty or obligation) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a debt provable in bankruptcy within the meaning of the BIA had the Company become bankrupt on the Filing Date;

"**Priority Secured Claim**" means any Secured Claims (other than Employee Priority Claims, Crown Priority Claims or Claims secured by the CCAA Charges), which are Accepted Claims and are determined to be in priority to the Liens securing the First Lien Claims in accordance with the Supplemental Claims Procedure Order, including but not limited to any Municipal Tax Claims that are Priority Secured Claims (other than the portion that is the Unaffected Municipal Tax Claim), but, for greater certainty, shall exclude any Claims held by ATB or BEH against the Company;

"**Priority Secured Claims Reserve**" has the meaning given to it in Section 3.5(b) of this Plan;

"**Pro Rata Share**" means the proportionate share of a Creditor's Accepted Claim to the total of all Accepted Claims and all Disputed Claims in such Creditor's Class and in the case of (i) the First Lien Lenders means the proportional share of a Beneficial First Lien Lender's holdings of the First Lien Claim to the total First Lien Claim; and (ii) the Second Lien Noteholders means the proportional share of a Second Lien Noteholder's holdings of Second Lien Notes to the total Second Lien Claim;

"**Professional Retainers**" means any monetary retainers previously provided by the Company to Cassels, other legal counsel or advisors to the Company, the Monitor, or legal counsel to the Monitor in connection with the CCAA Proceeding;

"**Proof of Assignment**" means a notice of transfer of a Claim executed by a Creditor and the transferee, together with satisfactory evidence of such transfer as may be reasonably required by the Monitor;

"**Proof of Claim**" means a proof of claim, in substantially the form(s) attached to the Claims Procedure Order or the Supplemental Claims Procedure Order, as submitted to the Monitor by a Creditor in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order;

"**Released Claims**" has the meaning given to it in Section 10.4 of this Plan;

"**Released Party**" has the meaning given to it in Section 10.4 of this Plan;

"**Required Majorities**" means, with respect to each Class of Affected Creditors, the affirmative vote of a majority in number of all voting (in person or by proxy) Creditors holding Accepted Claims in such Class and representing not less than 66⅔% in value of the Accepted Claims voting (in person or by proxy) in such Class at such Creditors' Meeting;

"**Restructuring Period Claim**" has the meaning given to it in the Claims Procedure Order;

"**Restructuring Transactions**" has the meaning given to it in Section 6.1 of this Plan;

"**Retention Plan Claims Reserve**" has the meaning given to it in Section 3.8(c) of this Plan;

"**Sanction Order**" means an Order, in form and substance acceptable to the Company, the Monitor, the Consenting First Lien Lenders, the First Lien Agent and the Plan Sponsor, each acting reasonably, among other things, sanctioning this Plan and giving directions regarding its implementation, which shall include the provisions set out in Section 8.1 of this Plan unless otherwise agreed to in writing by the Company, the Monitor, the Consenting First Lien Lenders, the First Lien Agent and the Plan Sponsor;

"**Second Lien Claim**" means the aggregate amount of $71,315,486.04 owing by the Company under the Second Lien Indenture, inclusive of accrued interest thereon up to October 31, 2018;

"**Second Lien Deficiency Claim**" means the entire amount of the Second Lien Claim which shall be deemed to be an unsecured deficiency claim and constitute a General Creditor Claim for the purpose of this Plan;

"**Second Lien Indenture**" means the indenture dated as of May 8, 2015 in respect of the Second Lien Notes among the Company, as issuer, and the Second Lien Trustee;

"**Second Lien Noteholders**" means holders of the Second Lien Notes;

"**Second Lien Notes**" means the 12% convertible second lien notes due August 31, 2018 issued pursuant to the Second Lien Indenture;

"**Second Lien Trustee**" means Computershare Trust Company, N.A., in its capacity as trustee under the Second Lien Indenture;

"**Second Supplemental KERP**" means the second supplemental key employee retention plan approved pursuant to the Second Supplemental KERP & LTIP 2017 Order;

"**Second Supplemental KERP & LTIP 2017 Order**" means the Order (Stay Extension, JPL Settlement & Approval of Second Supplemental KERP and 2017 LTIP) granted by the CCAA Court in the CCAA Proceeding dated June 27, 2017;

"**Secured Claim**" has the meaning given to it in the Supplemental Claims Procedure Order;

"**Shut Down Restricted Cash**" has the meaning given to it in the Initial Order;

"**Supplemental Claims Procedure Order**" means an Order to be sought by the Company from the CCAA Court on or about August 22, 2018 that, among other things, provides for the filing and determination of Secured Claims, certain Post-Filing Claims as of September 1, 2018, Post-Filing D&O Claims and Non-Continuing Employee Claims, as such Order may be amended, restated or varied from time to time by subsequent Order;

"**Supplemental KERP**" means the supplemental key employee retention plan approved pursuant to the Supplemental KERP Order;

"**Supplemental KERP Order**" means the Order (Stay Extension and Supplemental KERP) granted by the CCAA Court in the CCAA Proceeding dated November 14, 2016;

"**Support Agreement**" means that certain support agreement dated March 19, 2018 among the Company, the Consenting First Lien Lenders and the First Lien Agent, as may be amended from time to time;

"**Support Agreement & SISP Approval Order**" means the Order (Support Agreement, SISP & KEIP) granted by the CCAA Court in the CCAA Proceeding dated March 28, 2018;

"**Tax**" or "**Taxes**" means any and all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

"**Taxing Authorities**" means Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of each and every province or territory of Canada or municipality therein and any political subdivision thereof, and any Canadian or foreign governmental authority exercising taxing powers in administering and/or collecting Taxes;

"**Unaffected Claim**" has the meaning given to it in Section 3.3 of this Plan;

"**Unaffected Creditor**" means a holder of an Unaffected Claim;

"**Unaffected Municipal Tax Claims**" means one third (1/3) of the amount of the Municipal Tax Claims for the calendar year 2018, being the portion of the Municipal Tax Claims for the 2018 calendar year attributable to the period from and after 12:01 a.m. on September 1, 2018;

"**Voting Claim**" means the amount of an Affected Claim for which a Proof of Claim is filed, which, as at the Creditors' Meetings Record Date, (i) is an Accepted Claim or (ii) has been accepted by the Company or deemed to be accepted solely for voting purposes pursuant to the Claims Procedure Order, the Supplemental Claims Procedure Order, the Creditors' Meeting Order or any other Order; and

"**Website**" means the website of the Monitor, www.ey.com/ca/connacheroilandgas, upon which the various materials arising in connection with the CCAA Proceeding are posted from time to time.

1.2 Article and Section Reference

The terms "**this Plan**", "**hereof**", "**hereunder**", "**herein**", and similar expressions refer to this Plan, and not to any particular article, section, subsection, paragraph or clause of this Plan and include any variations, amendments, modifications or supplements hereto. In this Plan, a reference to an article, section, subsection, clause or paragraph shall, unless otherwise stated, refer to an article, section, subsection, paragraph or clause of this Plan.

1.3 Extended Meanings

In this Plan, where the context so requires, any word importing the singular number shall include the plural and vice versa, and any word or words importing gender shall include all genders.

1.4 Interpretation Not Affected by Headings

The division of this Plan into articles, sections, subsections, paragraphs and clauses and the insertion of a table of contents and headings are for convenience of reference and shall not affect the construction or interpretation of this Plan.

1.5 Inclusive Meaning

As used in this Plan, the words "**include**", "**includes**", "**including**" or similar words of inclusion means, in any case, those words as modified by the words "**without limitation**" and "**including without limitation**"; so that references to included matters shall be regarded as illustrative rather than exhaustive.

1.6 Currency

Unless otherwise stated herein, all references to currency in this Plan are to lawful money of Canada. For the purposes of voting or distribution, a Claim shall be denominated in Canadian Dollars and all cash distributions under this Plan shall be paid in Canadian Dollars. Any Claim in a currency other than Canadian Dollars will be deemed to have been converted to Canadian Dollars at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian Dollars as at the Filing Date, which rate for greater certainty for the conversion of United States Dollars to Canadian Dollars was US$1 = CDN $1.2885.

1.7 Statutory References

Any reference in this Plan to a statute includes all regulations made thereunder, all amendments to such statute or regulations in force from time to time to the date of this Plan and any statute or regulation that supplements or supersedes such statute or regulation to the date of this Plan.

1.8 Successors and Assigns

The rights, benefits and obligations of any Person named or referenced in this Plan shall be binding on and shall inure to the benefit of any heir, administrator, executor, legal personal representative, successor or assign, as the case may be, or a trustee, receiver, interim receiver, receiver and manager, liquidator or other Person acting on behalf of such Person, as permitted hereunder.

1.9 Governing Law

This Plan shall be governed by and construed and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to any conflict of law provision that would require the application of the law of any other jurisdiction. Any dispute or issue in connection with, or related to the interpretation, application or effect of this Plan and all proceedings taken in connection with this Plan and its revisions shall be subject to the exclusive jurisdiction of the CCAA Court.

1.10 Severability of Plan Provisions

If any provision of this Plan is or becomes illegal, invalid or unenforceable on or following the Effective Date in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Plan, or the legality, validity or enforceability of that provision in any other jurisdiction.

1.11 Timing Generally

Unless otherwise specified, all references to time herein, and in any document issued pursuant hereto, shall mean local time in Calgary, Alberta, Canada and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Calgary time) on such Business Day.

1.12 Time of Payments and Other Actions

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day. Wherever any payment to be made or action to be taken under this Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day.

1.13 Schedules

The following are the Schedules to this Plan, which are incorporated by reference into this Plan and form an integral part hereof:

Schedule "A"	-	Restructuring Transactions
Schedule "B"	-	Form of Monitor's Certificate

ARTICLE 2
PURPOSE AND EFFECT OF PLAN

2.1 Purpose

The purpose of this Plan is:

(a) to complete a reorganization of the Company's financial obligations, by implementing the Restructuring Transactions; and

(b) to effect a compromise and arrangement of all Affected Claims,

in order to enable the business of the Company to continue as a going concern, in the expectation that a greater benefit will be derived from the continued operation of its business than would result from the forced liquidation of the Company's assets.

2.2 Persons Affected

The Plan provides for a compromise of all Affected Claims and the implementation of the Restructuring Transactions. This Plan will become effective at the Effective Time and shall be binding upon and enure to the benefit of the Company and all Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators, legal representatives, successors and assigns in accordance with its terms.

2.3 Persons Not Affected

For greater certainty, except as expressly provided in this Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims.

ARTICLE 3
CLASSIFICATION OF CREDITORS AND CLAIMS, ESTABLISHMENT OF RESERVES AND OTHER ACTIONS ON EFFECTIVE DATE

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims and resolving Disputed Claims for voting and distribution purposes under this Plan shall be governed by the Claims Procedure Order, the Supplemental Claims Procedure Order, the Creditors' Meetings Order, the CCAA and this Plan.

3.2 Classification of Creditors

For the purposes of considering and voting on this Plan and receiving a distribution hereunder, the Affected Creditors are grouped into two Classes: (a) the First Lien Lender Class; and (b) the General Creditor Class.

3.3 Claims Unaffected by the Plan

This Plan does not compromise, release, discharge or otherwise affect the following (collectively, "**Unaffected Claims**"):

(a) Post-Filing Claims, provided that any Post-Filing Claims that were required to be preserved pursuant to the Supplemental Claims Procedure Order have been preserved;

(b) Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order against Directors that cannot be compromised due to the provisions of Section 5.1(2) of the CCAA;

(c) Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order that cannot be compromised due to the provisions of Section 19(2) of the CCAA, except any Claims to which Section 10.11 of this Plan applies which shall be Affected Claims for the purposes of this Plan;

(d) an Insured Claim provided that the Person holding the Insured Claim delivers to the Monitor by no later than 5:00 pm (Calgary time) on a date that is three (3) Business Days before the date of the Creditors' Meetings a completed and duly signed Insured Claim Option Notice in which the Person elects to pursue an Insured Claim for its Claim and waives any right to recover such Insured Claim from the Company or under this Plan;

(e) any indebtedness, liability or obligation of the Company of any kind to BEH under or pursuant to the BEH Royalty Agreement;

(f) except as expressly provided in Section 3.8(d) hereof, any indebtedness, liability or obligation of the Company of any kind to ATB under or pursuant to the ATB Credit Facilities; and

(g) the Unaffected Municipal Tax Claims.

Persons with Unaffected Claims shall not be entitled to vote at any Creditors' Meeting or receive any distributions under this Plan in respect of the portion of their claim which is an Unaffected Claim. Nothing in this Plan shall affect the Company's or the Directors' rights to defences, both legal and equitable, with respect to any Unaffected Claim including any rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

3.4 Establishment of the Administrative Reserve Fund

The Monitor shall hold the amount of $1,000,000 from the Plan Implementation Fund as an administrative reserve (the "**Administrative Reserve Fund**") in escrow until payment by the Monitor out of the Administrative Reserve Fund of reasonable fees and disbursements (plus any applicable Taxes thereon) for any services rendered by Cassels, other legal counsel and advisors to the Company, the Monitor, legal counsel to the Monitor, or other Persons from time to time retained by the Company or the Monitor (which in all cases shall exclude Plan Sponsor Counsel, post-Plan implementation) and any other reasonable costs and expenses incurred by the Company or the Monitor in connection with the implementation of the Plan, the administration of the Plan Implementation Fund, the resolution of Disputed Claims (but, for greater certainty, not for any payments or distributions in respect thereof), and the wind up of the CCAA Proceeding (collectively, "**Administration Expenses**").

If, subject to the terms of this Plan, the Monitor determines that excess funds exist in the Administrative Reserve Fund after all amounts referred to in the preceding paragraph have been paid or provided for to the satisfaction of the Monitor, then the Monitor shall add such funds to the First Lien Lender Pool.

Any existing Professional Retainers held by Cassels, other legal counsel and advisors to the Company, the Monitor, or legal counsel to the Monitor will continue to be held by such Persons for services rendered on and after the Effective Date and shall not be affected by this Plan; provided that if, on or after the Effective Date, and subject to the terms of this Plan, the Monitor determines that no further services are required of any Person holding a Professional Retainer, the Monitor shall advise such Person in writing on five (5) days prior notice and request a final accounting and return of the remaining Professional Retainer, if any, held by such Person. Such Person shall, as soon as reasonably practicable following receipt of such a written notice, pay to the Company the amount of the Professional Retainer remaining, if any, after deducting its fees, costs and Taxes incurred up to the effective date of such notice and any outstanding invoices owing to such Person by the Company.

3.5 Priority Secured Claims

(a) On or as soon as practicable following the Effective Date, the Monitor, on behalf of the Company, shall pay in full all Priority Secured Claims from the Plan Implementation Fund.

(b) In the event that a Secured Claim that is alleged to be a Priority Secured Claim, including but not limited to any claim by the Municipality (but excluding the Unaffected Municipal Tax Claim), remains in dispute (with respect to either or both the quantum or its priority secured status) and such dispute is not finally resolved as of the Effective Date pursuant to the Supplemental Claims Procedure Order (an "**Alleged Priority Secured Claim**"), the Monitor shall hold an amount from the Plan Implementation Fund equal to any and all such Alleged Priority Secured Claims (the "**Priority Secured Claims Reserve**") in escrow in accordance with this Section. In the event that such an Alleged Priority Secured Claim is subsequently finally determined to be a Priority Secured Claim (in whole or in part) in accordance with the Supplemental Claims Procedure Order or other Order, the Monitor shall pay the whole or the portion of the Alleged Priority Secured Claim that is determined to be a Priority Secured Claim from the Priority Secured Claims Reserve. In the event that such an Alleged Priority Secured Claim is subsequently finally determined not to be a Priority Secured Claim (in whole or in part) in accordance with the Supplemental Claims Procedure Order or other Order, in terms of either or both the quantum or its priority secured status, such portion of the Priority Secured Claims Reserve relating to such Alleged Priority Secured Claim (or the portion thereof) that is determined to not be a Priority Secured Claim will become part of the First Lien Lender Pool. As of the Effective Date, any security underlying any Alleged Priority Secured Claim, whether arising pursuant to agreement or statute, registered or unregistered, perfected or unperfected, shall be irrevocably, fully and finally discharged as against the Company and all of the Company's business, assets and undertaking. Upon such discharge, the Priority Secured Claims Reserve shall stand in the place and stead of the security underlying the Alleged Priority Secured Claim, with the same priority as it had just prior to the Effective Date, as if the security had not been discharged.

3.6 Crown Priority Claims

On or as soon as practicable following the Effective Date, the Monitor shall pay in full, on behalf of the Company, all Crown Priority Claims, if any, that were outstanding at the Filing Date or related to the period ending on the Filing Date, to the Crown, from the Plan Implementation Fund.

3.7 Employee Priority Claims

On or as soon as practicable following the Effective Date, the Monitor shall pay in full, on behalf of the Company, all Employee Priority Claims due and accrued to the Effective Date in the amount agreed to between the Company and the Monitor, to each holder of an Employee Priority Claim to the full amount of his, her or its respective Employee Priority Claim, from the Plan Implementation Fund.

3.8 Claims Secured by CCAA Charges

(a) Administration Charge

On the Effective Date, all outstanding obligations, liabilities, fees and disbursements secured by the Administration Charge which are evidenced by invoices as at the Effective Date shall be fully paid by the Monitor, on behalf of the Company, from the Plan Implementation Fund. The fees and disbursements of Cassels and other legal counsel to the Company, the Monitor, legal counsel to the Monitor or other Persons from time to time retained by the Company or the Monitor and any other costs and expenses incurred by the Company or the Monitor in connection with the implementation of this Plan, the resolution of Disputed Claims, and the termination of the CCAA Proceeding following the Effective Date shall continue to be secured by the assets of the Administrative Reserve Fund only, and the Administration Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all other assets of the Company and the Plan Implementation Fund.

(b) Directors' Charge

On the Effective Date, all D&O Claims, D&O Restructuring Period Claims and Post-Filing D&O Claims shall be fully, finally and irrevocably compromised, released, discharged, cancelled, extinguished and barred in accordance with Article 10 hereof and the Directors' Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Company and the Plan Implementation Fund.

In the event that any D&O Claims, D&O Restructuring Period Claims or Post-Filing D&O Claims which would be secured by the Directors' Charge remain outstanding and have not been fully paid prior to the Effective Date (an "**Alleged Directors' Charge Claim**"), the Monitor shall hold an amount from the Plan Implementation Fund equal to any and all such Alleged Directors' Charge Claims up to the aggregate amount of the Directors' Charge (the "**Directors' Charge Claims Reserve**") in escrow in accordance with this Section. In the event that such an Alleged Directors' Charge Claim is subsequently finally determined to be owing pursuant to the Supplemental Claims Procedure Order or other Order, the Monitor shall pay in full such claim from the Directors' Charge Claims Reserve. In the event that such an Alleged Directors' Charge Claim is determined not to be owing pursuant to the Supplemental Claims Procedure Order or other Order, such portion of the Directors' Charge Claims Reserve will become part of the First Lien Lender Pool as long as the amount that will thereafter exist in the Directors' Charge Claims Reserve is sufficient to satisfy all remaining Alleged Directors' Charge Claims whether or not such Alleged Directors' Charge Claims were previously accounted for in the Directors' Charge Claims Reserve.

(c) KERP/LTIP Charge, KEIP Charge and Financial Advisor Charge

On the Effective Date, any remaining outstanding obligations of the Company secured by any of the KERP/LTIP Charge, the KEIP Charge or the Financial Advisor Charge shall be fully paid by the Monitor on behalf of the Company, from the Plan Implementation Fund to the applicable beneficiaries of such CCAA Charges and each of the KERP/LTIP Charge, the KEIP Charge and the Financial Advisor Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Company and the Plan Implementation Fund.

In the event that the Company disputes any Person's entitlement under the LTIP, the LTIP 2017, the KERP, the Supplemental KERP, the Second Supplemental KERP or the KEIP which remain outstanding and have not been paid prior to the Effective Date (an "**Alleged Retention Plan Claim**"), the Monitor shall hold an amount from the Plan Implementation Fund equal to any and all such Alleged Retention Plan Claims (the "**Retention Plan Claims Reserve**") in escrow in accordance with this Section. In the event that such an Alleged Retention Plan Claim is subsequently finally determined to be owing pursuant to the Supplemental Claims Procedure Order or other Order, the Monitor shall pay in full such claim from the Retention Plan Claims Reserve. In the event that such an Alleged Retention Plan Claim is determined to not be owing pursuant to the Supplemental Claims Procedure Order or other Order, such portion of the Retention Plan Claims Reserve will become part of the First Lien Lender Pool.

(d) ATB Charge

Effective upon the Effective Date, the ATB Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Company and the Plan Implementation Fund, provided that nothing herein shall discharge or compromise any other security (other than the ATB Charge) granted by the Company to ATB pursuant to the ATB Credit Facilities which shall be unaffected by this Plan in accordance with Section 3.3(f) of this Plan, provided that, prior to the Effective Date, ATB shall release to the Company any funds that it is then holding as security for the Company's obligations to ATB and the Company (with the consent of the Plan Sponsor) shall provide replacement security to ATB after the Effective Date.

3.9 Emkay Reserve

In the event that the Alleged Emkay Claim remains in dispute and is not finally resolved or determined by an Order by the Effective Date, the Monitor shall hold the amount of $450,000 from the Plan Implementation Fund (the "**Emkay Reserve**") in escrow in accordance with this Section. In the event that the quantum of the Alleged Emkay Claim is subsequently agreed to between the Company and Emkay or determined by an Order (thereafter, the "**Final Emkay Claim**"), the Monitor shall pay the amount of the Final Emkay Claim to Emkay from the Emkay Reserve and the excess funds, if any, remaining in the Emkay Reserve shall become part of the First Lien Lender Pool.

ARTICLE 4
ESTABLISHMENT OF THE PLAN IMPLEMENTATION FUND

4.1 Plan Implementation Fund

At least two (2) Business Days prior to the Effective Date, in accordance with the Plan Sponsorship Agreement, the Plan Sponsor shall deliver to the Monitor the Plan Sponsored Funds to be held in trust for the Company. On or prior to the Effective Date, the Company shall deliver the Cash on Hand up to the amount of the Existing Cash to the Monitor. On or prior to the Effective Date, in accordance with the Plan Sponsorship Agreement, the Plan Sponsor shall deliver to the Monitor the Cash Adjustment Amount, if any, to be held in trust for the Company. Effective at the Effective Time, the Monitor shall release into the Plan Implementation Fund the sum of the Plan Sponsored Funds, the Existing Cash and the Cash Adjustment Amount, if any, to be held and distributed by the Monitor in accordance with this Plan.

ARTICLE 5
VOTING AND TREATMENT OF CREDITORS

5.1 Voting by the First Lien Lender Class

Beneficial First Lien Lenders as of the First Lien Record Date (as defined in the Creditors' Meeting Order) or their proxyholders will be entitled to vote in respect of such First Lien Lender's Pro Rata Share of the First Lien Claim. The solicitation of such votes and the procedures for voting by Beneficial First Lien Lenders shall be conducted in accordance with the Creditors' Meeting Order.

5.2 Treatment of the First Lien Lender Claim

As soon as practicable following the Effective Date, the First Lien Lender Pool shall be distributed by the Monitor to the First Lien Agent.

5.3 Treatment of Second Lien Claim

The entire amount of the Second Lien Claim shall be deemed to be an unsecured deficiency claim (being the Second Lien Deficiency Claim) and shall constitute a General Creditor Claim for the purposes of this Plan.

5.4 Treatment of Non-Continuing Employees

Unless otherwise agreed to in writing by the Company and the Plan Sponsor, the employment or contracts of employment, as applicable, of employees of the Company who do not receive an Offer of Employment or who receive but do not accept an Offer of Employment by 5:00 p.m. (Calgary time) on August 21, 2018 (or such later date as may be agreed to by the Company and the Plan Sponsor) will be terminated effective as of the Effective Date and such employee will be entitled to submit a Non-Continuing Employee Claim in accordance with the Supplemental Claims Procedure Order. Non-Continuing Employee Claims shall constitute General Creditor Claims for the purposes of this Plan.

5.5 Voting by Creditors in the General Creditor Class

Pursuant to and in accordance with the Creditors' Meeting Order, each of the following Creditors shall be entitled to vote on this Plan at the Creditors' Meeting for the General Creditor Class as follows:

(a) Beneficial First Lien Lenders as of the First Lien Record Date (as defined in the Creditors' Meeting Order) or their proxyholders will be entitled to vote in respect of such First Lien Lender's Pro Rata Share of the First Lien Deficiency Claim. The solicitation of such votes and the procedures for voting by Beneficial First Lien Lenders shall be conducted in accordance with the Creditors' Meeting Order;

(b) Beneficial Noteholders as of the Second Lien Notes Record Date (as defined in the Creditors' Meeting Order) or their proxyholders will be entitled to vote in respect of such Second Lien Noteholders' Pro Rata Share of the Second Lien Deficiency Claim. The solicitation of such votes and the procedures for voting by Beneficial Noteholders shall be conducted in accordance with the Creditors' Meeting Order;

(c) Convenience Class Creditors shall each be deemed to vote in favour of the Plan in the amount of such Creditor's Accepted Claim;

(d) General Creditors (other than First Lien Lenders in respect of First Lien Deficiency Claims, Second Lien Noteholders in respect of Second Lien Deficiency Claims and Convenience Class Creditors) with Voting Claims shall be entitled to one (1) vote in the amount equal to such Creditor's Voting Claim.

5.6 Treatment of General Creditor Claims

(a) General Creditors with Accepted Claims (including First Lien Lenders in respect of First Lien Deficiency Claims and Second Lien Noteholders in respect of Second Lien Deficiency Claims) on the Initial Distribution Record Date equal to or less than $2,000 shall be deemed to have made a Distribution Election and to have elected to and shall receive the Distribution Election Amount in respect of their Accepted Claim in accordance with the Plan;

(b) General Creditors with Accepted Claims greater than $2,000 (including First Lien Lenders in respect of First Lien Deficiency Claims and Second Lien Noteholders in respect of Second Lien Deficiency Claims) shall receive:

   (i) the Distribution Election Amount in respect of their Accepted Claim in accordance with the Plan if a Distribution Election is made prior to the Distribution Election Deadline; or

   (ii) its Pro Rata Share of the General Creditor Pool (after deducting all Distribution Election Amounts payable under this Plan) if a Distribution Election is not made prior to the Distribution Election Deadline;

5.7 Voting – Transferred Claims

Any General Creditor may transfer the whole of its Claim prior to the Creditors' Meeting of the General Creditors in accordance with the Claims Procedure Order and the Creditors' Meeting Order, as applicable, provided that the Monitor shall not be obligated to deal with the transferee of such Claim as a General Creditor in respect thereof, including allowing such transferee to vote at the Creditors' Meeting for General Creditors, unless a Proof of Assignment has been received by the Monitor prior to 5:00 p.m. (Calgary time) on the day that is at least ten (10) Business Days prior to the date of the Creditors' Meeting for General Creditors and such transfer has been acknowledged in writing by the Monitor. Thereafter such transferee shall, for all purposes in accordance with the Claims Procedure Order, Supplemental Claims Procedure Order, the Creditors' Meetings Order, the CCAA and this Plan, constitute a General Creditor and shall be bound by any notices given or steps taken in respect of such Claim in accordance with the Creditors' Meetings Order and any further Orders.

If a General Creditor transfers the whole of its Claim to more than one Person or part of such Claim to another Person after the Filing Date, such transfer shall not create a separate Voting Claim and such Claim shall continue to constitute and be dealt with for the purposes hereof as a single Voting Claim. Notwithstanding such transfer, the Monitor shall not be bound to recognize or acknowledge any such transfer and shall be entitled to give notices to and otherwise deal with such Claim only as a whole and only to and with the Person last holding such Claim in whole as the General Creditor in respect of such Claim, provided such General Creditor may, by notice in writing to the Monitor in accordance with and subject to the Creditors' Meetings Order and given prior to 5:00 p.m. (Calgary time) on the day that is at least ten (10) Business Days prior to the date of the Creditors' Meeting for General Creditors, direct the subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and in such event, such transferee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with the Creditors' Meetings Order and any further Orders.

5.8 Voting – All Classes

Except as otherwise set out in this Plan or in the Creditors' Meetings Order, each Creditor holding a Voting Claim or its designated proxyholder shall be entitled to attend the Creditors' Meeting for its Class. The Monitor shall keep a separate record of votes cast by Creditors holding Disputed Claims and shall report to the CCAA Court with respect thereto at the CCAA Court hearing seeking the Sanction Order. The votes cast in respect of any Disputed Claims shall not be counted for any purpose unless, until and only to the extent that such Disputed Claim is finally determined to be an Accepted Claim. The Company and the Monitor shall have the right to seek the assistance of the CCAA Court in valuing any Disputed Claim in accordance with the Claims Procedure Order, the Supplemental Claims Procedure Order, the Creditors' Meetings Order, the CCAA and this Plan, if required, to ascertain the result of any vote on this Plan.

5.9 Existing Shareholders and Holders of Equity Claims

Existing Shareholders and holders of Equity Claims shall not be entitled to attend or vote in respect of their Equity Claims at any Creditors' Meetings and shall not receive any distribution under this Plan on account of their Existing Shares or Equity Claims. All Equity Claims and D&O Indemnity Claims that are based on Equity Claims shall be fully, finally and irrevocably and forever compromised, released, discharged, cancelled, extinguished and barred on the Effective Date.

5.10 Other Non-Voting Persons

Persons with claims secured by the CCAA Charges, Alleged Directors' Charge Claims, claims or entitlements to the Administrative Reserve Fund, Alleged Retention Plan Claims, Secured Claims, Alleged Priority Secured Claims, Priority Secured Claims, Alleged Emkay Claims, Final Emkay Claims, Crown Priority Claims, Employee Priority Claims or Post-Filing Claims shall not be entitled to vote at any Creditors' Meeting in respect of the portion of their claim which is a claim secured by the CCAA Charges, an Alleged Directors' Charge Claim, a claim or entitlement to the Administrative Reserve Fund, an Alleged Retention Plan Claim, a Secured Claim, an Alleged Priority Secured Claim, a Priority Secured Claim, an Alleged Emkay Claim, a Final Emkay Claim, a Crown Priority Claim, an Employee Priority Claim or a Post-Filing Claim.

ARTICLE 6
IMPLEMENTATION OF THE RESTRUCTURING TRANSACTIONS

6.1 Restructuring Transactions

The Company and the Plan Sponsor will take the steps set forth in Schedule "A" hereto (collectively, the "**Restructuring Transactions**"), which shall be consummated and become effective in the order set out therein, and will take any actions as may be necessary to effect a restructuring of the Company's business or overall organizational structure to reflect the Restructuring Transactions and the provisions of this Plan.

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of the Company will occur and be effective by the Effective Time, and will be authorized and approved under this Plan and by the CCAA Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, Directors or Officers of the Company. All necessary approvals to take actions shall be deemed to have been obtained from the directors or shareholders of the Company, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by this Plan shall be deemed to be effective and any such agreement shall have no force and effect.

6.2 Effectuating Documents

Any current Officer shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures and other agreements or documents, and take such other actions, as may be necessary or appropriate, on behalf of the Company, to effectuate and further evidence the terms and conditions of this Plan.

ARTICLE 7
PROVISIONS GOVERNING DISTRIBUTIONS

7.1 Distribution to First Lien Lender Class

Distributions to the First Lien Lender Class shall be made by the Monitor in accordance with Section 5.2 of this Plan.

7.2 Distributions to the General Creditor Class

(a) General Creditors with Accepted Claims (including First Lien Lenders in respect of First Lien Lender Deficiency Claims and Second Lien Noteholders in respect of Second Lien Deficiency Claims) shall receive distributions from the General Creditor Pool in accordance with Section 5.6 of this Plan.

(b) Distributions to be made under this Plan on account of First Lien Deficiency Claims shall be made by the Monitor to the First Lien Agent. Distributions to be made under this Plan on account of Second Lien Deficiency Claims shall be made by the Monitor to the Second Lien Trustee.

(c) Other than as specifically provided in Section 7.2(b), all distributions to be made under this Plan to a Creditor shall be made by the Monitor on behalf of the Company by cheque and will be sent, via regular mail, to such Creditor to the address specified in the Proof of Claim filed by such Creditor or such other address as the Creditor may from time to time notify the Monitor in writing in accordance with Section 11.11 of this Plan.

(d) The Monitor may, but shall not be obligated to, make any distribution to the General Creditors before all Disputed Claims have been finally resolved for distribution purposes in accordance with the Claims Procedure Order, the Supplemental Claims Procedure Order or further Order.

(e) Notwithstanding anything else in this Plan, the aggregate of the distributions provided for in Section 5.6 and this Section 7.2 shall not exceed the amount of funds in the General Creditor Pool.

7.3 Disputed Claims

An Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes an Accepted Claim.

7.4 Interest on Affected Claims

Except in respect of First Lien Claims and Second Lien Claims, no interest or penalties shall accrue or be paid on an Affected Claim from and after or in respect of the period following the Filing Date and, except in the case of holders of First Lien Claims or Second Lien Claims, no holder of an Affected Claim will be entitled to any interest in respect of such Affected Claim accruing on or after or in respect of the period following the Filing Date. At the Effective Time, all interest accruing on any Affected Claim after or in respect of the period following the Filing Date shall be forever extinguished and released under this Plan as against the Company.

7.5 Distributions in respect of Transferred Claims

The Company and the Monitor shall not be obligated to deliver any distributions under this Plan to any transferee of an Affected Claim unless a Proof of Assignment has been delivered to the Monitor no later than the Initial Distribution Record Date.

7.6 Undeliverable and Unclaimed Distributions

(a) If any Creditor entitled to a distribution pursuant to this Plan cannot be located by the Monitor on the applicable Distribution Date, or if any delivery or distribution to be made pursuant to Article 7 of this Plan is returned as undeliverable, such cash shall be set aside by the Monitor and deposited in a segregated, interest-bearing account to be maintained by the Monitor.

(b) If such Creditor is located by the Monitor within six (6) months after the applicable Distribution Date, such cash shall be distributed to such Creditor.

(c) If such Creditor cannot be located by the Monitor or if any delivery or distribution to be made pursuant to Article 7 of this Plan is returned as undeliverable, or in the case of any distribution made by cheque, the cheque remains uncashed, for a period of more than six (6) months after the applicable Distribution Date or the date of delivery or mailing of the cheque, whichever is later, the Claim of any Creditor with respect to such undelivered or unclaimed distribution shall be discharged and forever barred, notwithstanding any Applicable Law to the contrary, and any such cash allocable to the undeliverable or unclaimed distribution shall be released by the Monitor into the First Lien Lender Pool, free and clear of any claims of such Creditor or any other Creditors and their respective successors and assigns. Nothing contained in this Plan shall require the Company or the Monitor to attempt to locate any holder of any undeliverable or unclaimed distributions.

7.7 Tax Matters

(a) All distributions to a Creditor or Person on behalf of a Creditor shall be made first with respect to the principal amount of the Claim owing to such Creditor and only after all such principal has been paid shall the distribution be made with respect to the interest owing on such Claim.

(b) Notwithstanding any other provision in this Plan, each Creditor that is to receive a distribution or payment pursuant to this Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed by any Authorized Authority on account of such distribution.

(c) All distributions hereunder shall be subject to any withholding and reporting requirements imposed by any Applicable Law or any Taxing Authority and the Company shall direct the Monitor, on behalf of the Company, to deduct, withhold and remit from any distributions hereunder payable to a Creditor or to any Person on behalf of any Creditor, such amounts, if any, as the Company determines that it or the Monitor, on behalf of the Company, is required to deduct and withhold with respect to such payment under the ITA or under Applicable Law. To the extent that amounts are so deducted and withheld, such withheld amounts shall be treated for all purposes as having been paid to the Creditor in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Taxing Authority.

ARTICLE 8
CONDITIONS OF PLAN IMPLEMENTATION

8.1 Sanction Order

If this Plan is approved by the Required Majorities, the Company shall bring an application before the CCAA Court for the Sanction Order, which Sanction Order shall provide (unless otherwise agreed to by the Company, the Plan Sponsor, the Monitor, the Consenting First Lien Lenders and the First Lien Agent), among other things, that:

(a) (i) this Plan has been approved by the Required Majorities in conformity with the CCAA; (ii) the Company acted in good faith and complied with the provisions of the CCAA and the Orders made in the CCAA Proceeding in all respects; (iii) the CCAA Court is satisfied that the Company has not done or purported to do anything that is not authorized by the CCAA; and (iv) this Plan and the transactions contemplated hereby (including the Restructuring Transactions) are fair and reasonable;

(b) this Plan (including the compromises, arrangements, releases and the transactions contemplated herein, including the Restructuring Transactions) shall be sanctioned and approved pursuant to Section 6 of the CCAA and will be binding and effective as herein set out on the Company, all Creditors and all other Persons as provided for in this Plan or the Sanction Order and, at the Effective Time, will be effective and enure to the benefit of the Company, the Creditors and all other Persons as provided in this Plan or the Sanction Order;

(c) authorizing and approving the steps to be taken under this Plan, including the Restructuring Transactions, on the date they are deemed to occur and be effected by this Plan, and in the sequential order contemplated by Schedule "A" to the Plan on the Effective Date;

(d) subject to the performance by the Company of its obligations under this Plan, and except to the extent expressly contemplated by this Plan or the Sanction Order, all Continuing Contracts that have not expired or been terminated prior to the Effective Date pursuant to their terms or by agreement will be and shall remain in full force and effect as at the Effective Date, unamended except as they may have been amended by agreement of the parties thereto subsequent to the Filing Date, and no Person who is a party to any such agreement shall, following the Effective

Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of any such agreement, by reason of:

(i) any defaults or events of default arising as a result of the insolvency of the Company prior to the Effective Date;

(ii) any change of control of the Company arising from implementation of the Plan;

(iii) the fact that the Company has sought or obtained relief under the CCAA or that this Plan has been implemented by the Company;

(iv) the effect on the Company of the completion of any of the transactions contemplated by this Plan;

(v) any compromises or arrangements effected pursuant to this Plan; or

(vi) any other event(s) which occurred on or prior to the Effective Date which would have entitled any Person thereto to enforce those rights and remedies, subject to any express provisions to the contrary in any agreements entered into with the Company after the Filing Date.

(e) all Accepted Claims and Disallowed Claims determined in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order are final and binding on the Company and all Creditors;

(f) upon the Effective Date, all Alleged Priority Secured Claims and any security underlying such Alleged Priority Secured Claims shall be irrevocably, fully and finally discharged as against the Company and all of the Company's business assets and undertaking and the Priority Secured Claims Reserve shall stand in the place and stead of such security, with the same priority as it had just prior to the Effective Date;

(g) no meetings or votes of the Existing Shareholders or Persons holding Equity Claims are required in connection with this Plan (including the Restructuring Transactions);

(h) the commencement or prosecution, whether directly, indirectly, derivatively or otherwise, of any demands, claims, actions, counterclaims, suits, judgments, or other remedies or recoveries with respect to any Claim released, discharged or terminated pursuant to this Plan shall be permanently enjoined;

(i) the releases effected by this Plan are approved, and declared to be binding and effective as of the Effective Date upon all Creditors, the Company, the Monitor and all other Persons affected by this Plan and shall enure to the benefit of all such Persons;

(j) any Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order against Directors that cannot be compromised due to the provisions of Section 5.1(2) of the CCAA will be limited in recovery to the proceeds of any Directors insurance policies;

(k) except for the Administration Charge which shall continue against the Administrative Reserve Fund subject to further Order, all CCAA Charges established by the Initial Order or any other Order, shall be terminated, released and discharged effective on the Effective Date;

(l) upon receipt from the Company or the Plan Sponsor, the Monitor shall hold and distribute the funds received in accordance with this Plan;

(m) the articles of the Company will be amended as set out in the Articles of Reorganization set out in Schedule "A";

(n) any written or oral agreement, option or warrant, or any right or privilege capable of becoming such, for the purchase, subscription, allotment or issuance of any shares or other form of equity interest (or any securities or investments convertible, exercisable or exchangeable for any shares or other form of equity interest) in the Company, and any agreements or instruments entitling any holder thereof to any participation in the Company, are of no further force or effect as at the Effective Date and all certificates evidencing Existing Shares are cancelled, null and void;

(o) any claims for which a Proof of Claim has not been filed by the dates required by the Claims Procedure Order or the Supplemental Claims Procedure Order shall be forever barred and extinguished in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order, as applicable;

(p) all Liens of Affected Creditors, including all security registrations in favour of any Affected Creditor, are discharged and extinguished; and

(q) the Monitor is authorized to perform its obligations under this Plan on and after the Effective Date, including authorization to instruct and obtain assistance from its legal counsel and/or Cassels as necessary to do so and as further provided herein.

8.2 Conditions of Plan Implementation

The implementation of this Plan shall be conditional upon the fulfillment or waiver, where applicable, of the following conditions on or before the Effective Date or the date specified therefor:

(a) the Company and the Plan Sponsor shall have complied with all provisions of the Plan Sponsorship Agreement and all conditions of the Plan Sponsorship Agreement shall have been satisfied or waived in accordance with its terms;

(b) the Company shall have complied with all provisions of the Support Agreement and all conditions of the Support Agreement shall have been satisfied or waived in accordance with its terms;

(c) this Plan shall have been approved by the Required Majorities;

(d) the Sanction Order shall have been granted by the CCAA Court in a form acceptable to the Company, the Monitor, the Plan Sponsor, the Consenting First Lien Lenders and the First Lien Agent, each acting reasonably, and shall be in full force and effect and not reversed, stayed, varied, modified or amended;

(e) the Monitor shall have received the Plan Sponsored Funds and the Cash Adjustment Amount, if any, from the Plan Sponsor and the Existing Cash from the Company;

(f) no injunction or other order shall have been issued to enjoin, restrict or prohibit any of the transactions contemplated by this Plan and the Plan Sponsorship Agreement;

(g) all necessary corporate action and proceedings of the Company shall have been taken to approve this Plan and to enable the Company to execute, deliver and perform its obligations under the agreements, documents and other instruments to be executed and delivered by it pursuant to this Plan; and

(h) all agreements, resolutions, documents and other instruments, which are reasonably necessary to be executed and delivered by the Company, in order to implement this Plan or perform the Company's obligations under this Plan or the Sanction Order, shall have been executed and delivered.

Each of the conditions set out in this Section 8.2 may be waived in whole or in part by the Company with the prior written consent of the Plan Sponsor and the Consenting First Lien Lenders by written notice to the Monitor. If the conditions in this Section 8.2 have not been satisfied or waived in accordance with this Section 8.2 by the Outside Date (or such later date as the Company, the Plan Sponsor, the Consenting First Lien Lenders, the First Lien Agent and the Monitor agree), this Plan shall automatically terminate, in which case the Company shall not be under any further obligation to implement this Plan.

8.3 Monitor's Certificate

Upon satisfaction or waiver of the conditions set out in Section 8.2, the Company, the Plan Sponsor and the Consenting First Lien Lenders, shall give written notice to the Monitor that the conditions set out in Section 8.2 have been satisfied or waived, and the Monitor shall, as soon as possible following receipt of such written notice, deliver to the Company, the Plan Sponsor and the Consenting First Lien Lenders, a certificate which states that all conditions precedent set out in Section 8.2 have been satisfied or waived, in substantially the form as the certificate attached as Schedule "B" to this Plan (the "**Monitor's Certificate**"), and shall specify therein the date of the delivery thereof. On or forthwith following the Effective Date, the Monitor shall file the Monitor's Certificate with the CCAA Court and shall post a copy of the same on the Website.

ARTICLE 9
AMENDMENTS TO THE PLAN

9.1 Amendments to Plan Prior to Approval

The Company reserves the right to vary, modify, amend or supplement this Plan by way of a supplementary or amended and restated plan or plans of compromise or arrangement or both filed with the CCAA Court at any time or from time to time prior to the commencement of the Creditors' Meetings, provided that the Company obtains the prior consent of the Plan Sponsor, the Consenting First Lien Lenders and the Monitor to any such variation, modification, amendment or supplement, which consent shall not be unreasonably withheld. Any such supplementary or amended and restated plan or plans of compromise or arrangement or both shall, for all purposes, be deemed to be a part of and incorporated into this Plan. Any such variation, modification, amendment or supplement shall be posted on the Website and e-mail notice will be provided to the CCAA Proceeding service list. Creditors are advised to check the Website regularly. Creditors who wish to receive written notice of any variation, modification, amendment or supplement to the Plan should contact the Monitor in the manner set out in Section 11.11 of this Plan. Creditors in attendance at the Creditors' Meetings will also be advised of any such variation, modification, amendment or supplement to the Plan.

In addition, the Company may propose a variation or modification of, or amendment or supplement to, this Plan during the Creditors' Meetings, provided that the Company obtains the prior consent of the Plan Sponsor, the Consenting First Lien Lenders and the Monitor to any such variation, modification, amendment or supplement, which consent shall not be unreasonably withheld, and that notice of such variation, modification, amendment or supplement is given to all Creditors entitled to vote present in person or by proxy at the applicable Creditors' Meeting prior to the vote being taken at such Creditors' Meeting, in which case any such variation, modification, amendment or supplement shall, for all purposes, be deemed to be part of and incorporated into this Plan. Any variation, amendment, modification or supplement at a Creditors' Meeting will be promptly posted on the Website, served by e-mail to the service list in the CCAA Proceeding and filed with the CCAA Court as soon as practicable following the applicable Creditors' Meeting.

9.2 Amendments to Plan Following Approval

After one or more of the Creditors' Meetings (and both prior to and subsequent to obtaining the Sanction Order), the Company may at any time and from time to time vary, amend, modify or supplement this Plan without the need for obtaining an Order or providing notice to the Creditors, if the Company, the Plan Sponsor and the Monitor, acting reasonably and in good faith, determine that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of any of the Creditors under this Plan or is necessary in order to give effect to the substance of this Plan or the Sanction Order.

ARTICLE 10
EFFECT OF THE PLAN

10.1 Implementation

At the Effective Time, subject to the satisfaction or waiver of the conditions contained in Section 8.2 of this Plan, this Plan shall be implemented by the Company and shall be binding upon all Persons in accordance with the terms of this Plan and the Sanction Order.

10.2 Effect of the Plan Generally

At the Effective Time, the payment, compromise or satisfaction of any Affected Claims under this Plan shall be binding upon all Persons, his, her or its heirs, executors, administrators, legal or personal representatives, successors and assigns, as the case may be, for all purposes and this Plan will constitute: (a) full, final and absolute settlement of all rights of any Persons against the Company and the Directors and Officers in respect of the Affected Claims and Equity Claims; (b) an absolute release and discharge of all indebtedness, liabilities and obligations of or in respect of the Affected Claims and Equity Claims against the Company and the Directors and Officers and all Liens granted by the Company in respect thereof, including any interest, costs, fees or penalties accruing thereon whether before or after the Filing Date; and (c) a reorganization of the capital of the Company, as provided in Schedule "A" hereto.

10.3 Compromise Effective for All Purposes

No Person who has a Claim as a guarantor, surety, indemnitor or similar covenant in respect of any Claim which is compromised under this Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised or released under this Plan shall be entitled to any greater rights than the Creditor or Existing Shareholder whose Claim was compromised under this Plan. Accordingly, the payment, compromise or other satisfaction of any Claim under this Plan, if sanctioned and approved by the CCAA Court, shall be binding upon such Creditor or Existing Shareholder, his, her or its heirs, executors, administrators, successors and assigns for all purposes and, to such extent, shall also be effective to relieve any third party directly or indirectly liable for such indebtedness, whether as guarantor, surety, indemnitor, director, joint covenantor, principal or otherwise.

10.4 Release of Company and Other Released Parties

At the Effective Time, for good and valuable consideration, including the distributions to be made pursuant to the Plan, every Creditor, Affected Creditor or other Person, on the Creditor's, Affected Creditor's or other Person's own behalf and on behalf of the Creditor's, Affected Creditor's or other Person's respective affiliates, present and former officers, directors, employees, associated individuals, auditors, beneficiaries, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitors, agents, dependents, heirs, executors, administrators, representatives, successors and assigns, as applicable, hereby is deemed to and does fully, finally, irrevocably and unconditionally release and forever discharge each of the Company, the Directors, the Officers and any alleged fiduciary (whether acting as a director, officer, or other responsible party), Cassels, Akin Gump, Ernst & Young Inc., the Monitor, the Financial Advisor, the Plan Sponsor, Plan Sponsor Counsel, the First Lien Agent, the Collateral Trustee, the Second Lien Trustee, the Consenting First Lien Lenders, and the Consenting First Lien Advisors, together with each of their respective current and former legal counsel, financial advisors, representatives, directors, officers, predecessors, affiliates, member companies, related companies, shareholders, heirs, spouses, dependants, administrators, executors, employees, professional advisors including solicitors, auditors, contractors, consultants, servants, agents and assigns (collectively, the "**Released Parties**" and individually, a "**Released Party**"), of and from any and all Claims, and, without limitation, any and all past, present and future claims, causes of action, debts, rights, interests, actions, rights of indemnity, liabilities, demands, duties, injuries, accounts, covenants, damages, expenses, fees (including solicitors' fees or liens), costs, compensation, or causes of action of whatsoever kind or nature whether foreseen or unforeseen, known or unknown, matured or unmatured, direct, indirect or derivative, asserted or unasserted, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory, at common law or in equity, based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, any act, inaction or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time relating to or otherwise in connection with the Company, including, (a) the business and operations of the Company, (b) the property and assets of the Company, (c) the Affected Claims, the Plan, the Plan Sponsorship Agreement or the CCAA Proceeding, (d) the Support Agreement, (e) the Equity Claims and the Existing Shares; (f) a contract that has been restructured, terminated, repudiated, disclaimed or resiliated prior to the Disclaimer Deadline in accordance with the CCAA, (g) any Restructuring Transaction in respect of which the Released Parties had any role, whether in their capacity as Officers, Directors or in any other capacity, (h) liabilities of the Directors and Officers and any alleged fiduciary or other duty, including any and all Claims that may be made against the Directors or Officers where by law such Directors or Officers may be liable in their capacity as Directors or Officers, or (i) any Claim that has been barred or extinguished by the

Claims Procedure Order or the Supplemental Claims Procedure Order (all collectively, the "**Released Claims**"); and at the Effective Time the Company is deemed to and does fully, finally, irrevocably and unconditionally release and forever discharge every other Released Party of and from any and all Released Claims.

Notwithstanding the foregoing, nothing in this Section 10.4 shall release or discharge:

(a) the Company from any Unaffected Claim that has not been paid in full under this Plan to the extent of such non-payment;

(b) a Released Party from its obligations under the Plan;

(c) a Released Party found by a court of competent jurisdiction by final determination on the merits to have committed fraud in relation to a Released Claim for which it is responsible at law; or

(d) the Directors from any Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order that cannot be compromised due to the provisions of Section 5.1(2) of the CCAA.

10.5 Injunction

Subject to the exceptions stated in sub-paragraphs (a) through (d) of Section 10.4 of this Plan, all Persons, along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, beneficiaries, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitors, agents, dependents, heirs, executors, administrators, representatives, successors and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to the Affected Claims, the Equity Claims and the Released Claims, from:

(a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suit, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative, regulatory or other forum) against any of the Released Parties or their property;

(b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property;

(c) commencing, conducting or continuing in any manner, directly or indirectly, any action, suit or demand (including by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation) or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative, regulatory or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties;

(d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Lien or encumbrance of any kind; or

(e) taking any action to interfere with the implementation or consummation of the Plan (including the Restructuring Transactions);

and any such proceedings will be deemed to have no further effect against the Company or any of its assets and will be released, discharged or vacated without cost to the Company. All Persons shall cooperate with the Company and the Monitor in lifting any Lien or discontinuing any proceeding filed or commenced prior to the Effective Time, as the Company or the Monitor may reasonably request. The Company may apply to the CCAA Court to obtain a discharge or dismissal of any such proceedings if necessary without notice to any Person.

10.6 Knowledge of Claims

Each Person to which Section 10.4 applies shall be deemed to have granted the releases set out in this Section 10.4 notwithstanding that it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that it may have under any Applicable Law which would limit the effect of such releases to those Claims or causes of action known or suspected to exist at the Effective Time.

10.7 Waiver of Defaults

At the Effective Time, and subject to any express provisions to the contrary in any amending agreement entered into with the Company after the Filing Date, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed, caused by any of the provisions hereof, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in every contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease, personal property lease or other agreement, written or oral, and any amendments or supplements thereto, existing between such Person and the Company. Any and all notices of default, acceleration of payments and demands for payments under any instrument, or other notices, including any notices of intention to proceed to enforce security, arising from any of such aforesaid defaults shall be deemed to have been rescinded and withdrawn. For greater certainty, nothing in this Section shall waive any obligations of the Company in respect of any Unaffected Claim.

10.8 Consents and Waivers

At the Effective Time, all Creditors shall be deemed to have consented and to have agreed to all of the provisions of this Plan in its entirety. Each Creditor shall be deemed to have (a) granted, and executed and delivered to the Company all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety and (b) agreed that if any conflict exists between the provisions of any agreement or arrangement, written or oral, existing between the Company and such Creditor and the provisions of this Plan, then the provisions of this Plan shall govern and the provisions of such other agreement or arrangement shall be amended accordingly.

10.9 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.10 Preferential Transactions

Sections 95 to 101 of the BIA and any Applicable Law relating to preferences, settlements, fraudulent conveyances or transfers at undervalue shall not apply in any respect, including, without limitation, to any dealings prior to the Filing Date, to this Plan, to any payments or distributions made in connection with the restructuring and recapitalization of the Company, whether made before or after the Filing Date, or to any and all transactions contemplated by and to be implemented pursuant to this Plan.

10.11 Compromise of Claims under Section 19(2) of the CCAA

On the Effective Date, the following Claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order shall be compromised under this Plan, including pursuant to the terms of this Article 10 and shall be deemed to be a Released Claim pursuant to Section 10.4 of this Plan:

(a) any fine, penalty, restitution order or other order similar in nature to a fine, penalty or restitution order, imposed by a court in respect of an offence;

(b) any award of damages by a court in civil proceedings in respect of

  (i) bodily harm intentionally inflicted, or sexual assault, or

  (ii) wrongful death resulting from an act referred to in subparagraph (i);

(c) any debt or liability arising out of fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity or, in Quebec, as a trustee or an administrator of the property of others;

(d) any debt or liability resulting from obtaining property or services by false pretences or fraudulent misrepresentation, other than a debt or liability of the Company that arises from an Equity Claim; or

(e) any debt for interest owed in relation to an amount referred to in any of paragraphs (a) to (d),

provided that this Section shall only apply to a Person who voted (in person or by proxy) in favour of this Plan at the Creditors' Meetings.

ARTICLE 11
GENERAL PROVISIONS

11.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan may be deemed to occur without any additional act or formality other than as may be expressly set out herein, each of the Persons affected hereto shall make, do, and execute or cause to be made, done or executed all such further acts, deeds, agreements, assignments, transfers, conveyances, discharges, assurances, instruments, documents, elections, consents or filings as may be reasonably required by the Company in order to implement this Plan.

11.2 Set-Off

The law of set-off applies to all Claims made against the Company and to all actions instituted by it for the recovery of debts due to the Company in the same manner and to the same extent as if the Company was plaintiff or defendant, as the case may be.

11.3 Paramountcy

Without limiting any other provision hereof, from and after the Effective Date, in the event of any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed, or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease, personal property lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between the Company and any other Persons affected by this Plan, the terms, conditions and provisions of this Plan shall govern and shall take precedence and priority.

11.4 Revocation, Withdrawal, or Non-Consummation

The Company reserves the right to revoke or withdraw this Plan at any time prior to the Effective Time and to file subsequent plans of compromises or arrangement. If the Company revokes or withdraws this Plan, or if the Sanction Order is not issued, (a) this Plan shall be null and void in all respects, (b) any Affected Claim, any settlement or compromise embodied in this Plan (including the fixing or limiting of any Affected Claim to an amount certain), and any document or agreement executed pursuant to this Plan shall be deemed null and void, and (c) nothing contained in this Plan, and no action taken in preparation for consummation of this Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Affected Claims by or against the Company or any Person; (ii) prejudice in any manner the rights of the Company or any Person in any further proceedings involving the Company, or (iii) constitute an admission of any sort by the Company or any Person.

11.5 Preservation of Rights of Action

Except as otherwise provided in this Plan or in the Sanction Order, or in any contract, instrument, release, indenture or other agreement entered into in connection with the Plan, following the Effective Time, the Company will retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all claims, rights or causes of action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Company may hold against any Person or entity, without further approval of the CCAA Court.

11.6 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceeding with respect to the Company and is not responsible or liable for any obligations of the Company. The Monitor will have the powers and protections granted to it by this Plan, by the CCAA and by any Order, including the Initial Order, the Claims Procedure Order, the Supplemental Claims Procedure Order and the Creditors' Meetings Order. Both prior to and after the Effective Date, the Company and the Plan Sponsor shall provide such assistance as reasonably required by the Monitor in connection with the completion of the Monitor's duties and obligations under this Plan.

11.7 Reliance Upon Consent

For the purposes of this Plan, where a matter shall have been agreed, waived, consented to or approved by the Company, or a matter must be satisfactory or acceptable to the Company, any Person shall be entitled to rely on written confirmation from Cassels that the Company has agreed, waived, consented to or approved a particular matter.

For the purposes of this Plan, where a matter shall have been agreed, waived, consented to or approved by the Consenting First Lien Lenders, or a matter must be satisfactory or acceptable to the Consenting First Lien Lenders, such matter shall be decided by the Majority Consenting First Lien Lenders and any Person shall be entitled to rely on written confirmation from Bennett Jones LLP, as counsel to the Consenting First Lien Lenders, that the Majority Consenting First Lien Lenders have agreed, waived, consented to or approved a particular matter.

For the purposes of this Plan, where a matter shall have been agreed, waived, consented to or approved by the Plan Sponsor, or a matter must be satisfactory or acceptable to the Plan Sponsor, any Person shall be entitled to rely on written confirmation from Plan Sponsor Counsel that the Plan Sponsor has agreed, waived, consented to or approved a particular matter.

11.8 Adjudication of Unresolved Claims

Following the Effective Time, Cassels shall continue to have primary carriage and responsibility as legal counsel in connection with litigation or other adjudication of any remaining Disputed Claims, Alleged Priority Secured Claims, Alleged Retention Plan Claims or Alleged Directors' Charge Claims pursuant to this Plan, the Claims Procedure Order, the Supplemental Claims Procedure Order or otherwise.

11.9 Obligation to Pay Only to the Extent Funds are Available

Notwithstanding any other provision of this Plan, and without in any way limiting the protections for the Monitor set out in the Orders or the CCAA, the Monitor shall have no obligation to make any payment contemplated under this Plan, and nothing shall be construed as obligating the Monitor to make any such payment, unless and until the Monitor is in receipt of funds adequate to effect any such payment in full.

11.10 Monitor shall have no Personal Liability

The Monitor shall not incur any liability whatsoever, including in respect of (a) any amount paid, required to be paid or not paid pursuant to this Plan, (b) any costs or expenses incurred in connection with, in relation to or as a result of any payment made, required to be made or not made, or (c) any deficiency in the Plan Implementation Fund or any reserves established pursuant to this Plan.

11.11 Notices

Any notice or communication to be delivered hereunder will be in writing and will reference this Plan and may, subject to as hereinafter provided, be made or given by mail, personal delivery or by e-mail transmission addressed to the respective parties as follows:

(a) if to the Company:

Connacher Oil and Gas Limited
Suite 1040, 640 5th Avenue SW
Calgary, Alberta T2P 3G4

Attention: Merle Johnson
Email: MeJohnson@Connacheroil.com

With a copy to (which shall not constitute notice):

Cassels Brock & Blackwell LLP
2100 Scotia Plaza

40 King St. West
Toronto Ontario M5H 3C2

Attention: Ryan Jacobs/Joseph Bellissimo
E-mail: rjacobs@casselsbrock.com/jbellissimo@casselsbrock.com

With a copy to (which shall not constitute notice):

Ernst & Young Inc.,
in its capacity as Monitor of Connacher Oil and Gas Limited
Calgary City Centre
Suite 2200, 215 – 2nd Street SW
Calgary, Alberta T2P 1M4

Attention: Neil Narfason/Peter Chisholm
Email: neil.narfason@ca.ey.com/peter.chisholm@ca.ey.com

(b) if to the Monitor:

Ernst & Young Inc.,
in its capacity as Monitor of Connacher Oil and Gas Limited
Calgary City Centre
Suite 2200, 215 – 2nd Street SW
Calgary, Alberta T2P 1M4

Attention: Neil Narfason/Peter Chisholm
Email: neil.narfason@ca.ey.com/peter.chisholm@ca.ey.com

With a copy to (which shall not constitute notice):

McCarthy Tétrault LLP
Suite 4000, 421 7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Sean F. Collins/Walker MacLeod
Email: scollins@mccarthy.ca/wmacleod@mccarthy.ca

(c) if to the Plan Sponsor:

East River Oil and Gas Ltd.
Suite 600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5

Attention: Michael Lam
Email: lam.m@snencn.cn

With a copy to (which shall not constitute notice):

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 3rd Avenue SW
Calgary, Alberta T2P0R3

Attention: Robyn Gurofsky/ Xiaodi Jin
Email: rgurofsky@blg.com/xjin@blg.com

(d) if to a Creditor:

To the address specified in the Proof of Claim filed by such Creditor or such other address as the Creditor may from time to time notify the Monitor in accordance with this Section,

or to such other address as any party may from time to time notify the others in accordance with this Section. All such notices and communications which are delivered will be deemed to have been received on the date of delivery. All such notices and communications which are faxed or emailed will be deemed to be received on the date faxed or e-mailed if sent before 5:00 p.m. (Calgary time) on a Business Day and otherwise will be deemed to be received on the Business Day next following the day upon which such fax or email was sent. Any notice or other communication sent by mail will be deemed to have been received on the third Business Day after the date of mailing.

If during any period during which notices or other communications are being given pursuant to this Plan a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further order of the CCAA Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Plan.

SCHEDULE "A"

RESTRUCTURING TRANSACTIONS

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected in five minute increments (unless otherwise indicated) and at the times set out in this section (or in such other manner or order or at such other time or times as the Company may determine in consultation with the Monitor and the Plan Sponsor), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

(a) the Monitor shall release into the Plan Implementation Fund the sum of the Plan Sponsored Funds, the Existing Cash and the Cash Adjustment Amount, if any, to be held and distributed by the Monitor in accordance with this Plan;

(b) all of the Company's issued and outstanding Equity Claims shall be cancelled without any return of capital or other payment in respect thereof and in particular, but without limitation, all outstanding Existing Shares, warrants, options and other rights or obligations to acquire Existing Shares shall be cancelled for no consideration;

(c) the Company shall issue 1,000 common shares to the Plan Sponsor in consideration of the payment by the Plan Sponsor of the Plan Sponsored Funds;

(d) paragraph 8 of the Articles of Continuance of the Company is hereby amended to add the following paragraphs:

The right to transfer the outstanding shares of the Corporation is restricted and no shares may be transferred without the approval of the Board of Directors of the Corporation.

The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been in the employment of the Corporation, were, while in that employment, and have continued after termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty (50), two or more persons who are the joint registered owners of one or more shares being counted as one shareholder.

Any invitation to the public to subscribe for securities of the Corporation is prohibited.

(e) the Monitor shall make the payments and distributions contemplated by the Plan on the Effective Date;

(f) the Administration Charge, the Directors' Charge, the KERP/LTIP Charge, the KEIP Charge, the Financial Advisor Charge and the ATB Charge shall be deemed to be released as against the assets of the Company and the Plan Implementation Fund, provided that the Administration Charge shall continue to be secured against the assets of the Administrative Reserve Fund;

(g) the Affected Creditors shall be entitled to the treatment set out in the Plan in full and final settlement of their Affected Claims, and:

(i) the Affected Claims shall, and shall be deemed to be, irrevocably and finally extinguished and such Affected Creditors shall have no further right, title or interest in and to its Affected Claim;

(ii) no Person who has a claim under any guarantee, surety, indemnity or similar covenant in respect of any Affected Claim or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of an Affected Claim will be entitled to any greater rights as against the Company than the Person whose Affected Claim is compromised under the Plan;

(iii) all debentures, notes, certificates, indentures, guarantees, agreements, invoices and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing), will not entitle any holder to any compensation or participation other than as expressly provided for in the Plan and will be deemed cancelled and extinguished;

(iv) all distributions made pursuant to the Plan to Affected Creditors will be allocated first towards the repayment of the amount of the Affected Claim attributable to principal and, if greater than the amount of principal, second, towards the repayment of any amount of such Claim attributable to unpaid interest;

(h) the discovery, extended reporting, or run-off period under applicable insurance policies in favour of Directors or Officers shall be deemed to be triggered, with payment of insurance premiums and any applicable fees for such run-off period being made from funds on deposit with or held in escrow for such purpose by the Company's insurance broker;

(i) the directors of the Company immediately prior to the Effective Time shall be deemed to have resigned and the New Board shall be deemed to have been appointed;

(j) all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of the Company and its subsidiaries shall survive the completion of the Plan and shall continue in full force and effect in accordance with their terms for a period of not less than six (6) years from the Effective Date; and

(k) the releases and injunctions referred to in Article 10 of the Plan shall become effective, and shall be deemed to be, fully, finally, irrevocably and forever compromised, settled, released, discharged, extinguished, cancelled and barred and the Company shall be fully, finally and irrevocably released from any and all claims, liabilities or obligations of any kind to an Affected Creditor, Creditor or Person, and the Affected Creditors shall only have rights thereafter as against the First Lien Lender Pool or the General Creditor Pool (as the case may be) held by the Monitor, or against the reserve and funds established pursuant to the Plan as applicable.

B. Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the monitor of the Company (the "**Monitor**") with the powers, duties and obligations set out in the Initial Order;

C. The Company has filed a Plan of Compromise and Arrangement under the CCAA dated ●, 2018 (the "**Plan**"), which Plan has been approved by the requisite majorities of Creditors in each Class and the Court; and

D. Unless otherwise indicated herein, initially capitalized terms used herein have the meaning set out in the Plan.

THE MONITOR HEREBY CERTIFIES the following:

1. The Monitor has received written confirmation from the Company, in form and substance satisfactory to the Monitor, that the conditions to the implementation of the Plan set out in Section 8.2 of the Plan have been satisfied or waived in accordance with the Plan;

2. The Monitor has received the Plan Sponsored Funds, the Existing Cash and the Cash Adjustment Amount, if any, in accordance with the terms of the Plan; and

3. This Certificate was delivered by the Monitor to the Company, the Plan Sponsor and counsel to the Consenting First Lien Lenders on ________ **[Date]**.

ERNST & YOUNG INC., in its capacity as the Court-appointed Monitor of the Company and not in its personal or corporate capacity

By: ______________________________

Name:

Title:

Schedule B

Registrations to Be Discharged

A. Registrations with Alberta Energy
1.

Descriptor	Details
Agreement Type/Number	074 7407010531 Oil Sands Lease
Encumbrance ID	0800141
Encumbrance Type	Security Notice
Status	Active
Registration Date	2008/01/15
Registration Type/Number	SN 0800141 Security Notice
Interest Of	Great Divide Oil Corporation
Secured Party	Computershare Trust Company of Canada, as Collateral Agent

Security Notice	0800141
Secured Party	Computershare Trust Company of Canada, as Collateral Agent
Address for Service	600, 530 8th Avenue SW, Calgary, AB, T2P 0B2
The secured party hereby gives notice that it has a security interest affecting the following agreement(s) (type and number)	Oil Sands Lease 7404010454 Oil Sands Lease 7407010522 Oil Sands Lease 7407010523 Oil Sands Lease 7407010524 Oil Sands Lease 7404010456 Oil Sands Lease 7404120875 Oil Sands Lease 7404010457 Oil Sands Lease 7404010458 Oil Sands Lease 7405070551 Oil Sands Lease 7407010525 Oil Sands Lease 7405070552 Oil Sands Lease 7404010459 Oil Sands Lease 7404010460 Oil Sands Lease 7406070401 Oil Sands Lease 7406110501 Oil Sands Lease 7405070553 Oil Sands Lease 7405070554 Oil Sands Lease 7407010531 Oil Sands Lease 7405070555

Descriptor	Details
	Oil Sands Lease 7405070556 Oil Sands Lease 7406010664 Oil Sands Lease 7406010665 Oil Sands Lease 7406010666 Oil Sands Lease 7406050801 Oil Sands Lease 7406050803 Oil Sands Lease 7406110503 Oil Sands Lease 7406110506 Oil Sands Lease 7406110507 Oil Sands Lease 7406050804 Oil Sands Lease 7406050805 Oil Sands Lease 7406050806
Full name of corporation or individual who gave the security interest	Great Divide Oil Corporation
Describe the general nature only of the security interest arising under the security instrument.	Debenture dated December 3rd, 2007

B. Alberta PPR Registrations
1.

Descriptor	Details
Encumbrance Type	Security Agreement
Status	Current
Registration Date	2007/11/22
Expiry Date	2020/11/22
Registration Type/Number	Security Agreement/ 07112205021 as amended by 07112921346, 07113008457, 07120746464, 11052529243, 12100119507
Secured Party	COMPUTERSHARE TRUST COMPANY OF CANADA, AS COLLATERAL AGENT 600, 530 - 8TH AVENUE S.W. CALGARY, AB T2P 3S8
Collateral – Serial Numbers	General
Description	ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY

2.

Descriptor	Details
Encumbrance Type	Land Charge

Descriptor	Details
Status	Current
Registration Date	2007/11/22
Expiry Date	Infinity
Registration Type/Number	Land Charge 07112205104 as amended by 07112921361, 07113008655, 12100124814
Secured Party	COMPUTERSHARE TRUST COMPANY OF CANADA, AS COLLATERAL AGENT 600, 530 - 8TH AVENUE S.W. CALGARY, AB T2P 3S8
Collateral – Serial Numbers	N/A
Description	N/A

3.

Descriptor	Details
Encumbrance Type	Security Agreement
Status	Current
Registration Date	2016/01/14
Expiry Date	2021/01/14
Registration Type/Number	Security Agreement 16011412231 amended by 16051731263
Secured Party	Arundel Capital Corporation Suite 420 - 5119 Elbow Drive SW Calgary, Alberta T2V 1H2
Collateral – Serial Numbers	1. 1T9BL4034ES588962 2014 - TREMCAR SUPER B TANK LD TR – Trailer 2. 1T9BL3126ES588963 2014 - TREMCAR SUPER B TANK RR TR - Trailer
Description	ONE(1) USED 2014 TREMCAR SUPER B TC407 ALUMINUM TANK TRAILER LEAD S/N 1T9BL4034ES588962 ONE(1) USED 2014 TREMCAR SUPER B TC407 ALUMINUM TANK TRAILER REAR S/N1T9BL3126ES588963 TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY

Descriptor	Details
	OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

4.

Descriptor	Details
Encumbrance Type	Security Agreement
Status	Current
Registration Date	2016/01/14
Expiry Date	2021/01/14
Registration Type/Number	Security Agreement 16011413719
Secured Party	Arundel Capital Corporation Suite 420 - 5119 Elbow Drive SW Calgary, Alberta T2V 1H2
Collateral – Serial Numbers	1. 1T9BL4038ES588964 2014 TREMCAR SUPER B TANK LD TR - Trailer 2. 1T9BL312XES588965 2014 TREMCAR SUPER B TANK RR TR - Trailer 3. 1T9BL4031ES588966 2014 TREMCAR SUPER B TANK LD TR - Trailer 4. 1T9BL3123ES588967 2014 TREMCAR SUPER B TANK RR TR - Trailer
Description	ONE(1) USED 2014 TREMCAR SUPER B TC407 ALUMINUM TANK TRAILER LEAD S/N 1T9BL4038ES588964 ONE(1) USED 2014 TREMCAR SUPER B TC407 ALUMINUM TANK TRAILER REAR S/N 1T9BL312XES588965

Descriptor	Details
	ONE(1) USED 2014 TREMCAR SUPER B TC407 ALUMINUM TANK TRAILER LEAD S/N 1T9BL4031ES588966 ONE(1) USED 2014 TREMCAR SUPER B TC407 ALUMINUM TANK TRAILER REAR S/N 1T9BL3123ES588967 TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

C. Saskatchewan PPR Registrations

1.

Descriptor	Details
Encumbrance Type	Personal Property Security Agreement
Status	Current
Registration Date	2007/11/22
Expiry Date	2019/11/22
Registration Type/Number	Personal Property Security Agreement 300249388
Secured Party	COMPUTERSHARE TRUST COMPANY OF CANADA, AS COLLATERAL AGENT 600, 530 - 8TH AVENUE S.W. CALGARY, AB T2P 3S8
Collateral – Serial Numbers	N/A
Description	All of the Debtor's present and after-acquired personal property

2.

Descriptor	Details
Encumbrance Type	Personal Property Security Agreement
Status	Current
Registration Date	2007/11/22
Expiry Date	2019/11/22
Registration Type/Number	Personal Property Security Agreement 300249397
Secured Party	COMPUTERSHARE TRUST COMPANY OF CANADA, AS COLLATERAL AGENT 600, 530 - 8TH AVENUE S.W. CALGARY, AB T2P 3S8
Collateral – Serial Numbers	N/A
Description	All of the Debtor's present and after-acquired personal property